

FENWICK

IPO Landscape: Surging SPACs and a Pandemic Boom Ahead

*2020 Milestones and
2021 Outlook*

AUTHORS



James D. Evans

Co-Chair, Capital Markets &
Public Companies

jevans@fenwick.com

[Full Bio](#)



Robert A. Freedman

Co-Chair, Capital Markets &
Public Companies

rfreedman@fenwick.com

[Full Bio](#)



Amanda L. Rose

Partner, Corporate

arose@fenwick.com

[Full Bio](#)



Ran D. Ben-Tzur

Partner, Corporate

rbentzur@fenwick.com

[Full Bio](#)

Contact the authors or members of your client service team to discuss the report or for more information.

IPO Landscape: Surging SPACs and a Pandemic Boom Ahead

2020 Milestones and 2021 Outlook

SURVEY CONTENTS

Executive Summary.....	1
SPACs	10
Lock-Ups	22
Dual-Class Structure	31
A Closer Look at the Second Half of 2020.....	36
By the Numbers	37
Offerings Completed.....	41
Deal Size	43
Size of Offerings, Final IPO Price	44
Aggregate Amount Raised, Final IPO Price.....	46
Pricing	47
Price Changes Between the Estimated and Actual Public Offering Price	50
Methodology	52

Executive Summary

With a new U.S. administration, an economic rebound in sight and historically low interest rates that are unlikely to budge in the near-term, equity markets have been on a tear since late 2020. The torrid pace of technology and life sciences IPOs, direct listings and special purpose acquisition companies (SPACs) has likewise shown no signs of slowing in 2021.

But the investment community's headlong rush into SPACs has formed a bubble, according to the executives and investors in the economy's hottest sectors—and it will continue inflating well into 2021.

Those are the top-line findings from Fenwick's survey of 366 executives and investors in the technology and life sciences sectors, conducted in January 2021. The survey gauged these key players' perspectives on SPACs, lock-up provisions and other dynamics likely to play prominent roles in shaping this year's IPO landscape.

Executive Summary

AMONG THE KEY FINDINGS



A SPAC bubble

— but it's not about to burst. More than two-thirds of respondents believe we are in a SPAC bubble already. However, two-thirds of life sciences executives and investors, and nearly 90% of technology executives and investors, expect the SPAC surge to continue.



Lock-ups will begin to fade in the coming years

— and respondents believe companies seeking to avoid lock-ups will increasingly gravitate toward direct listings in the meantime. SPACs also offer a way to go public with fewer shareholders locked up.



Dual-class capital structures are here to stay, in tech

— but the majority of technology investors and executives believe dual-class IPOs will increasingly include mandatory sunset clauses, amid growing pressure from institutional investors and governance advocates. On the life sciences side, where dual-class structures are far less common, executives and investors also say that those structures deter investors, who perceive them as limiting management's accountability.

Executive Summary

THE YEAR AHEAD

Following the most active six months for technology and life sciences IPOs since we began tracking them in 2012, the market appears poised for a post-pandemic boom that could rival or exceed last year's. Some of last year's largest offerings may provide a sense of the scale investors and executives expect to see in 2021.

DoorDash raised \$3.4 billion in a December IPO following a year in which it saw business spike as COVID-19 restrictions limited, and at times halted, dine-in restaurant service. A few days later, Airbnb's IPO raised \$3.5 billion despite the devastation done to the hospitality industry by COVID-19 travel restrictions, indicating that investors expect Americans to hit the road in droves as pandemic conditions ease this year.


"Investors and executives alike are looking at the market's reception of DoorDash, which was seen as a pandemic play, and of Airbnb, which was a recovery play," said Fenwick partner James Evans, co-chair of the capital markets practice. "I think those will be the comp set for many companies."

Our online survey results also indicate that many of those companies, especially in the technology sector, will likely be tempted to go public through a merger with a SPAC as opposed to a traditional IPO process. Two-thirds of the

Executive Summary

technology executives we surveyed, and nearly as many tech investors, say SPACs' primary attraction is the perception that they help companies reduce the amount of time required for the preparation and disclosures that come with traditional IPOs.

Early activity in 2021 would appear to support their belief: SPACs accounted for 70% of all funds raised through public offerings in January, [according to the Wall Street Journal](#), which also reported that SPACs were launching at an average pace of five per day.



Investors and executives alike are looking at the market's reception of DoorDash, which was seen as a pandemic play, and of Airbnb, which was a recovery play.

**Fenwick partner
James Evans**

Executive Summary

LIFE SCIENCES

Life sciences executives and investors also foresee companies in their space choosing a merger with a SPAC over traditional IPOs – especially as higher-quality sponsors and institutional investors continue to launch SPACs.

Life sciences offerings could gain additional momentum from the success in developing COVID-19 vaccines. The largest life sciences IPO of 2020 was a \$1.6 billion offering from private-equity backed Maravai LifeSciences, which produces biopharmaceutical products that are critical to vaccines—including Pfizer’s COVID-19 vaccine. Along with a steady stream of scientific breakthroughs in other categories, Maravai’s rising tide could lift many vessels—even those of companies with no connection to inoculations.

“We may see the average valuation moving upwards, but the early-stage nature of life sciences IPOs means that they often move together,” said Robert Freedman, Fenwick partner and co-chair of the capital markets practice. “The bigger deals would come if you have large diagnostic companies and companies that already produce revenue going public.”

Executive Summary

We may see the average valuation moving upwards, but the early-stage nature of life sciences IPOs means that they often move together. The bigger deals would come if you have large diagnostic companies and companies that already produce revenue going public.

Fenwick partner

Robert Freedman

Executive Summary

SIGNS POINTING TO EXPANSION—EVEN A BOOM

The early weeks of the new year provided no reason to believe the velocity of IPO activity including SPAC mergers would diminish in 2021—and there are reasons to believe it could escalate. For example, the year ahead could see an uptick in foreign IPOs as the new administration seeks to restore friendly relations with key international partners.

“There were a handful of Trump administration policies that may have reduced the appetite of foreign companies, especially Chinese companies, to list in the United States,” Fenwick partner Ran Ben-Tzur said. “The Biden Administration may change some of those policies, which could open the door for a wave of non-U.S. technology deals.”

In addition, many economists predict that the end of the pandemic will spark a multi-year economic expansion unlike any in recent history, beginning in 2021. Some analysts go a step further, projecting [the dawn of a new era](#), marked by digital transformation and scientific discoveries that change the ways we live and work.

If that is true, and we see the early phases in 2021, we could also see it begin to play out in public offerings from the sectors

Executive Summary

There were a handful of Trump administration policies that may have reduced the appetite of foreign companies, especially Chinese companies, to list in the United States. The Biden Administration may change some of those policies, which could open the door for a wave of foreign technology deals.

Fenwick partner

Ran Ben-Tzur

driving the transformation—technology and life sciences. Even without a paradigm shift, advisors and other observers expect a prolific year ahead for IPOs.

“Bankers are bullish all the way through the year,” Fenwick partner Amanda Rose said. “They think it will accelerate as the vaccine distribution increases. I have not heard of a macro event on the back end that would change that.”

Executive Summary

Bankers are bullish all the way through the year. They think it will accelerate as the vaccine distribution increases. I have not heard of a macro event on the back end that would change that.

Fenwick partner
Amanda Rose

SPACs



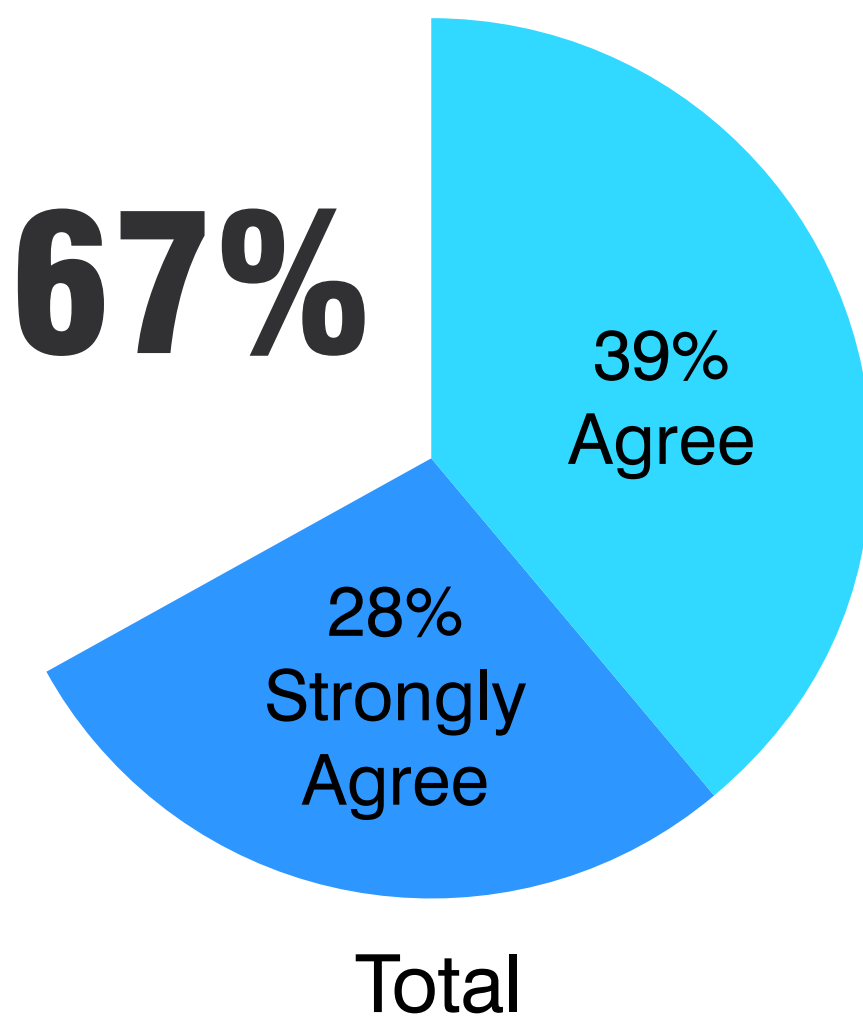
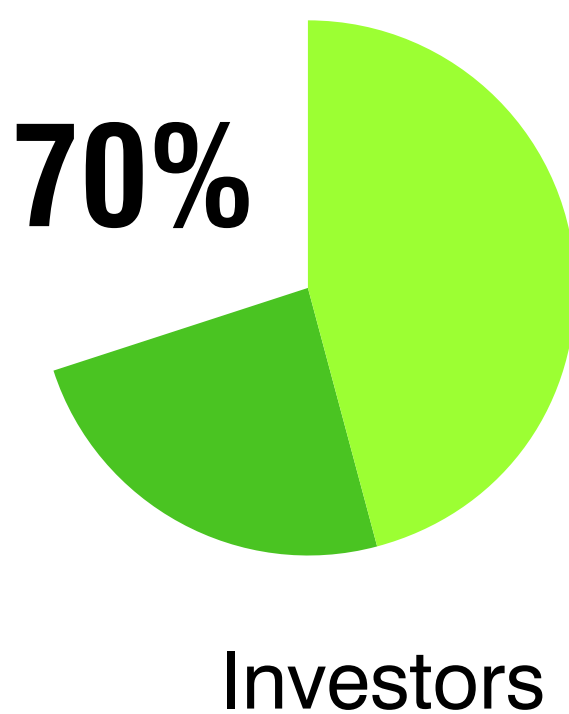
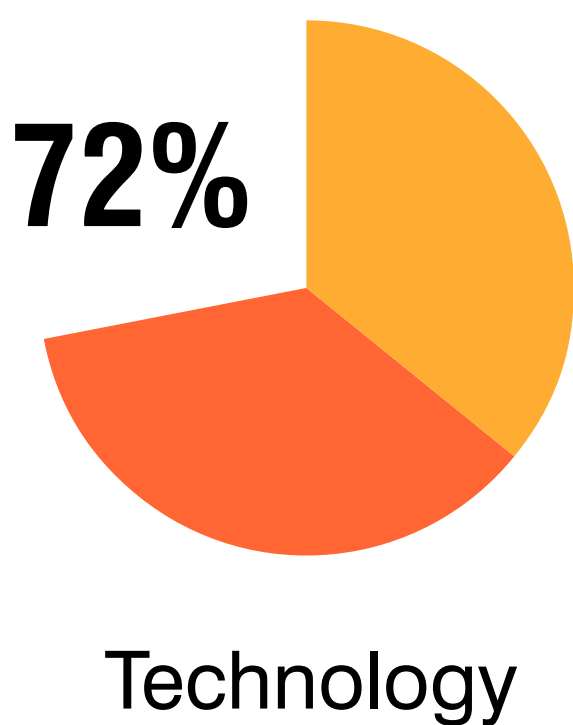
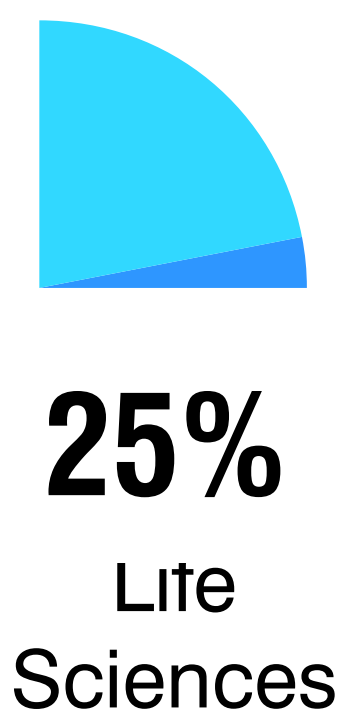
SPACS

The fact that 67% of Fenwick’s survey respondents believe a SPAC bubble already exists likely reflects the growing belief that the pace of SPAC offerings has outstripped the availability of businesses ready to go public. But the respondents also recognize that, bubble or no, the wave of SPACs will continue to swell in the near term.

Even if the SPAC bubble does burst in 2021, the existing SPACs will continue looking for merger targets. And while IPOs are likely to remain hot this year, the growing number of SPACs means some companies that would have chosen IPOs will merge with SPACs instead, potentially reducing the total number of IPOs. On the other hand, some SPACs may merge with companies that would not have felt they could do traditional IPOs—the result being an increase in the total number of public companies.

SPACs

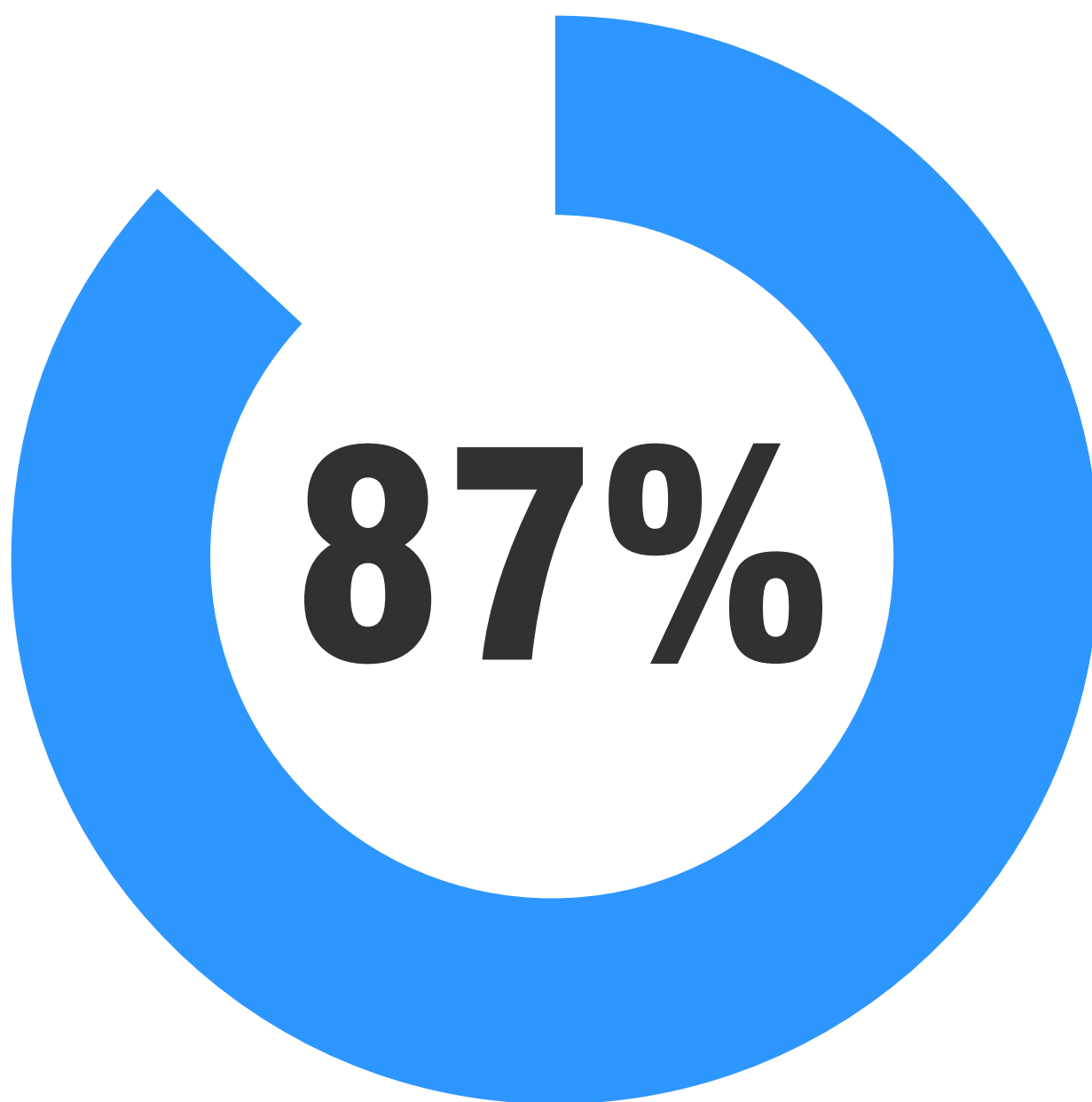
We Are in a SPAC Bubble



SPACs

As a whole, respondents give roughly equal weight to the forces behind the SPAC boom. But technology and life sciences respondents clearly have differing views of which forces exert greater influence. Technology executives believe that SPACs' prime advantage is the perception that they offer a more efficient alternative to traditional IPOs. Life sciences executives rank that factor lowest and instead see historically low interest rates, which make double-digit (and higher) investment returns harder to come by, as the key driver in the SPACs surge.

Agree that SPACS Will Continue to Surge in 2021

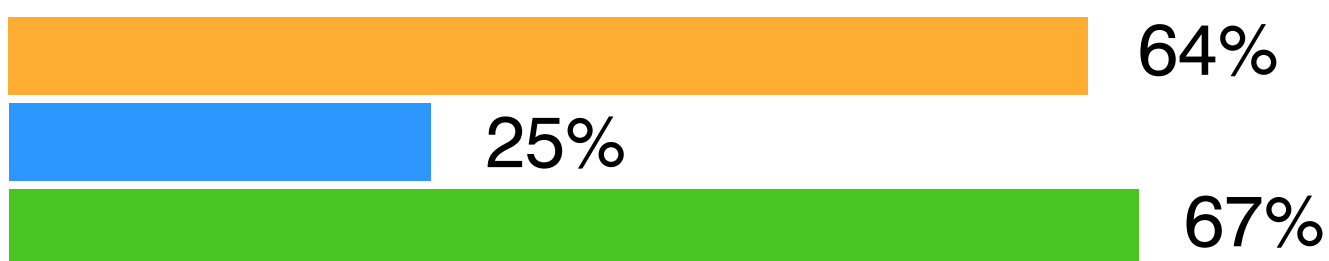


SPACs

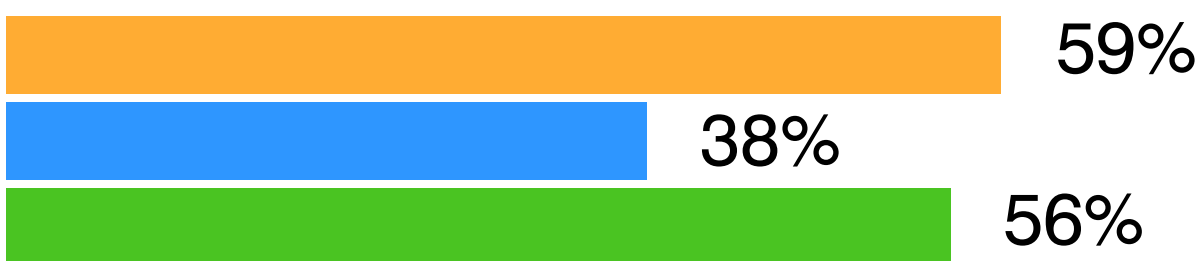
Factors Driving SPACs in 2021



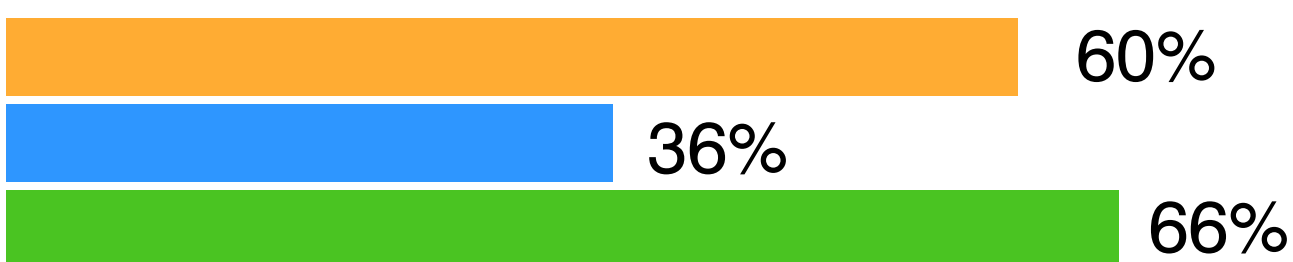
High market volatility creating an unfavorable environment for traditional IPOs



Desire or need for quicker ways to go public and raise money



Ability to avoid time-consuming preparation and disclosure of financial statements



Historically low interest rates



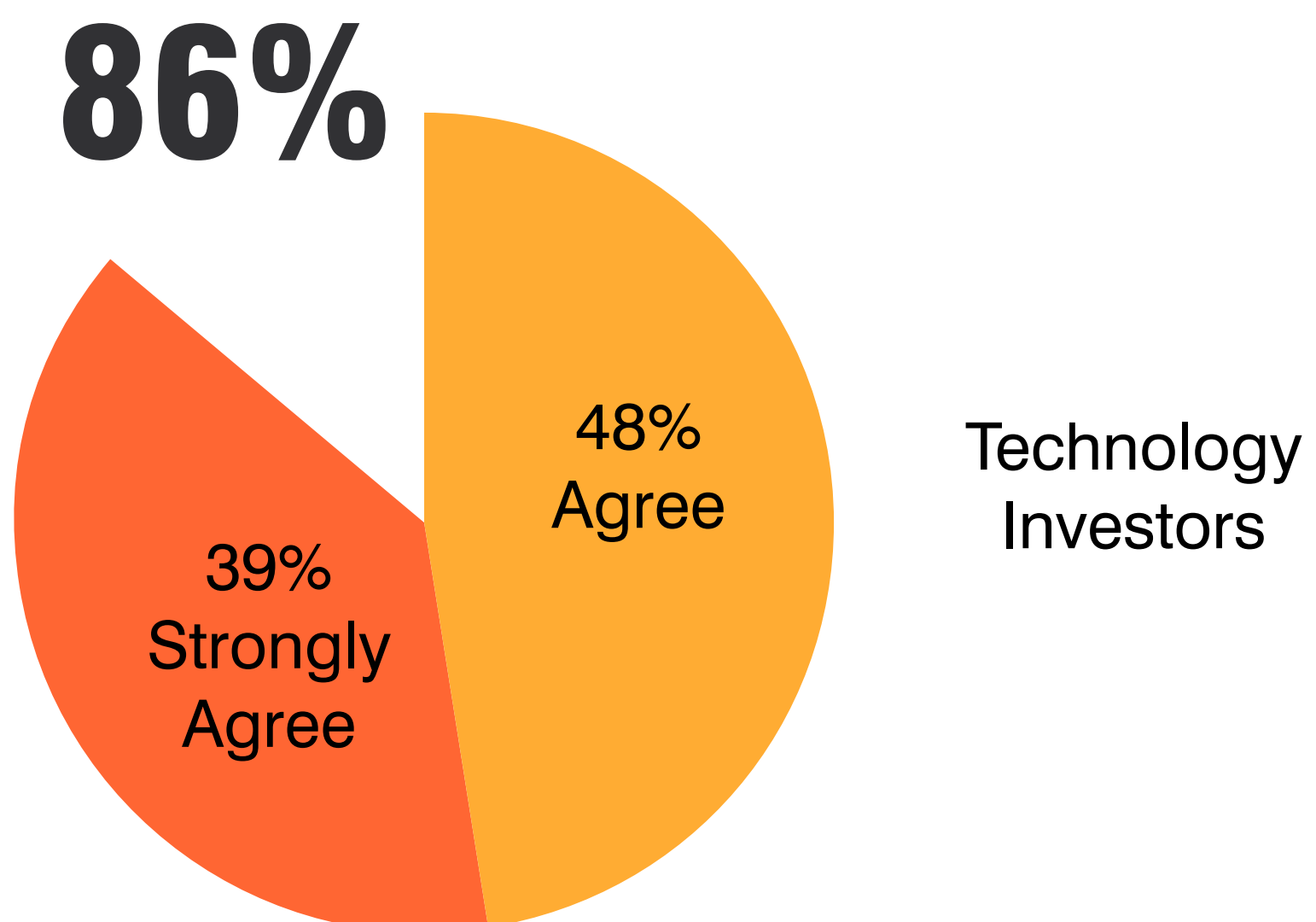
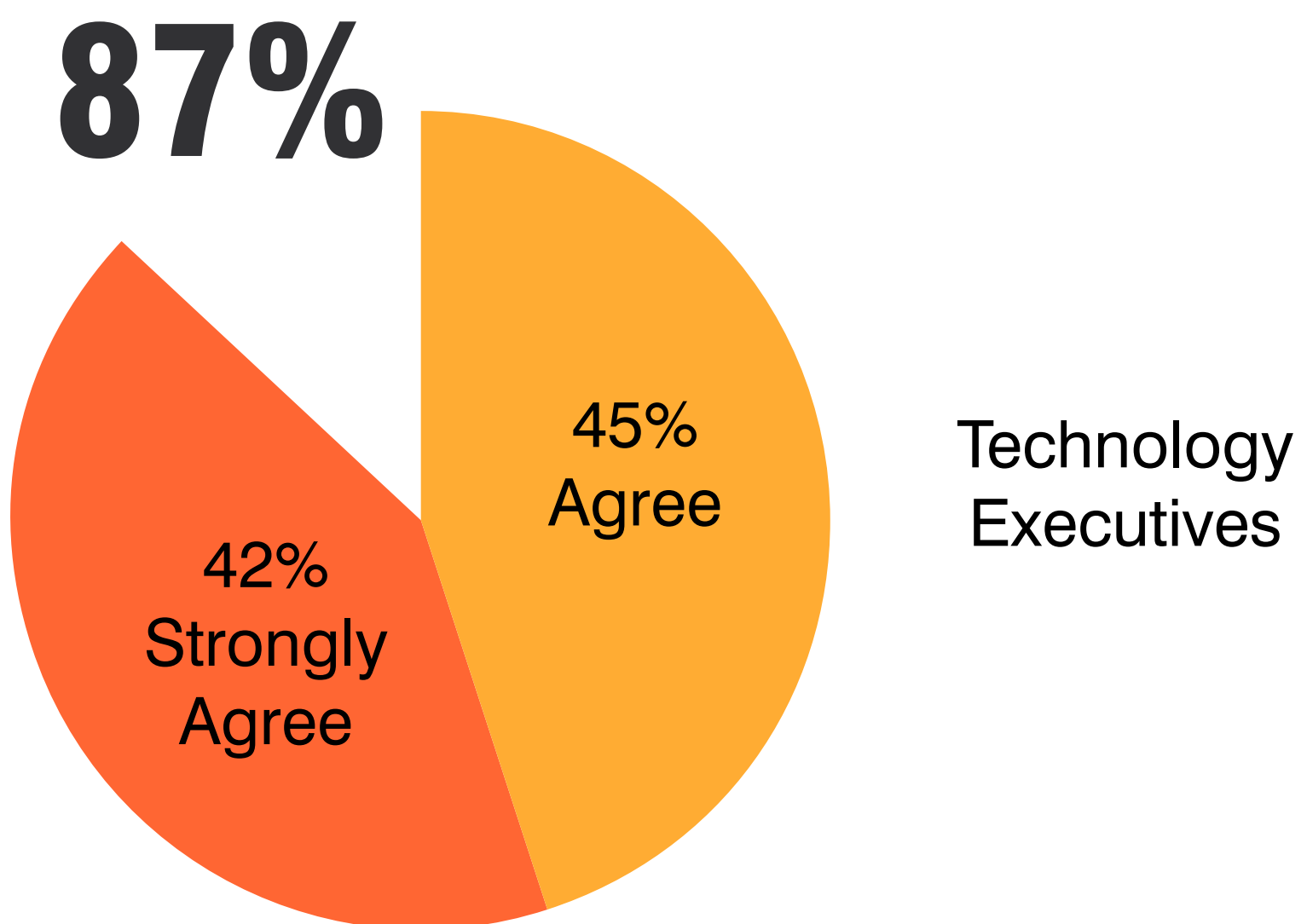
TECHNOLOGY

More than 85% of technology executives and investors expect the proliferation of SPACs to continue in 2021, and a similar majority believes SPACs will gain popularity in the technology sector.

Executives and investors alike view the involvement of large institutional investors as SPACs' most attractive feature for taking technology companies public. That would likely be especially true for larger, more mature technology companies—suggesting that in the coming months larger enterprises such as Airbnb and DoorDash, which both went public through IPOs last year—could opt for SPAC mergers instead.

SPACs

SPAC IPO Surge in Technology Will Continue in 2021



SPACs

Factors Most Contributing to Higher Volume of Technology SPACs Compared to Traditional IPOs

Involvement of Larger Institutional Investors



Listings from/by Higher-Quality Sponsors



Speed the Process of Turning Businesses into Public Companies



Technology Executives

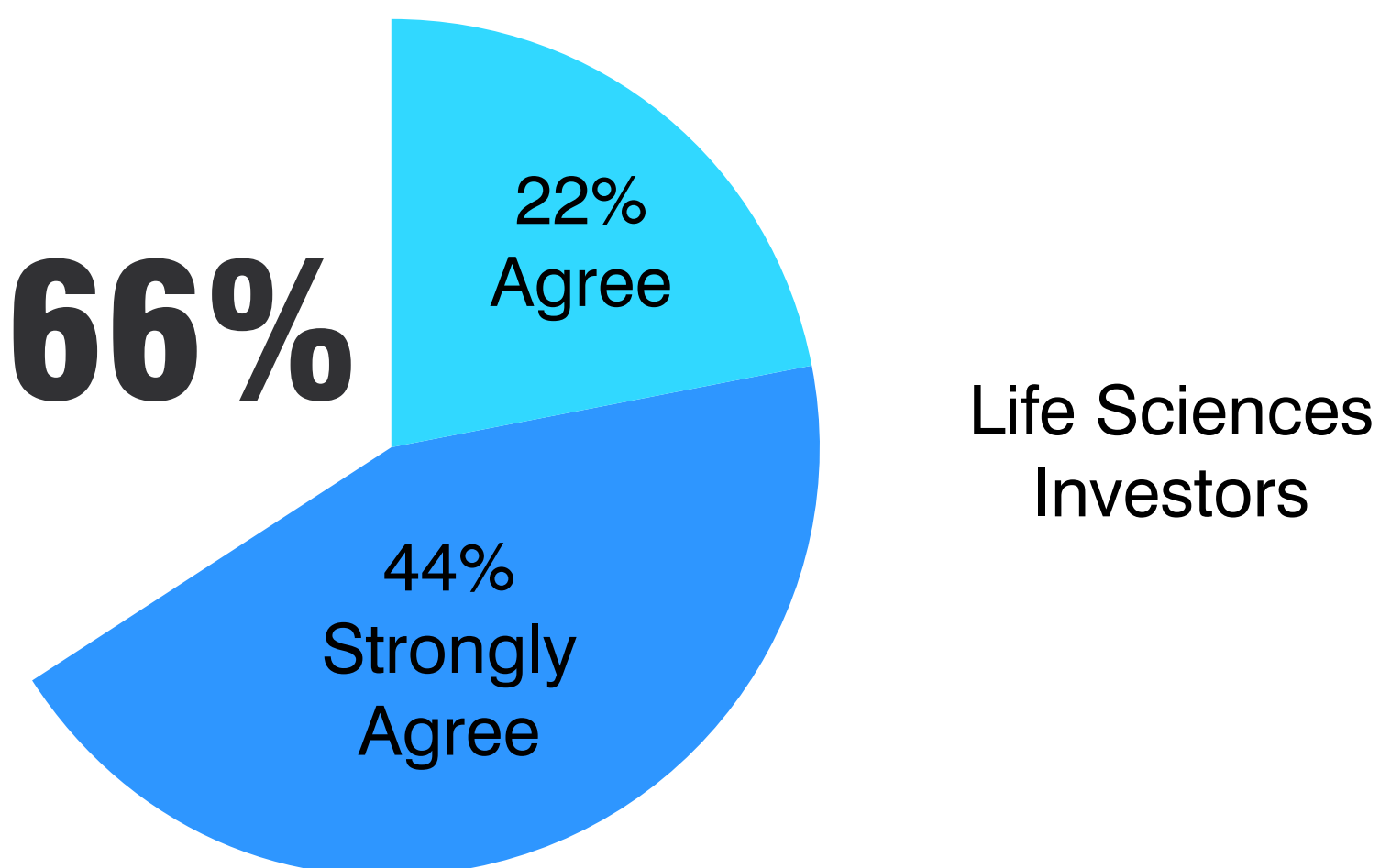
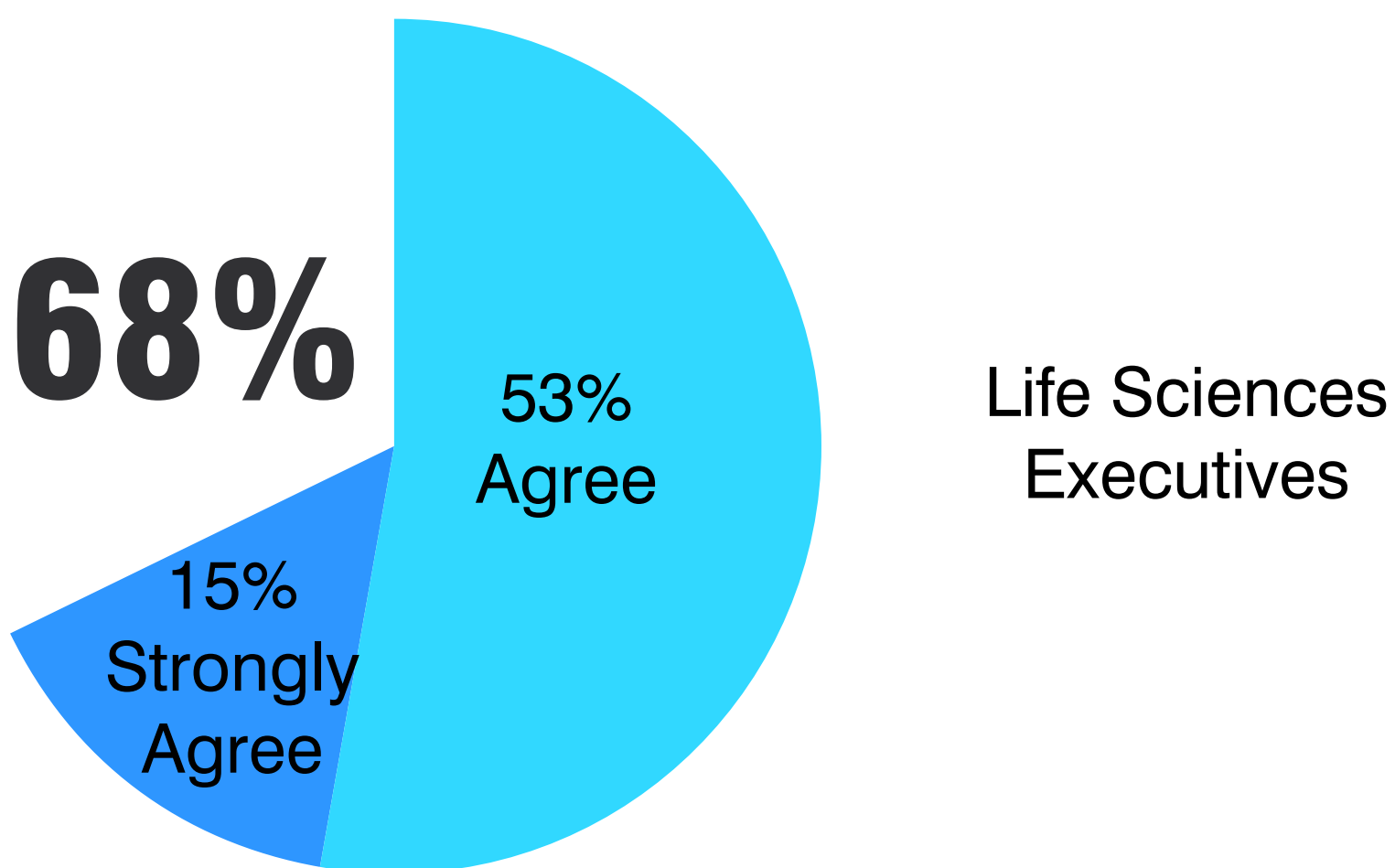
Technology Investors

LIFE SCIENCES

Life sciences respondents are slightly less convinced that the SPAC surge will continue through this year; about two-thirds of executives and investors believe it will. And roughly the same proportion from both groups expects SPACs to become more popular in life sciences this year.

Perhaps because they see less exuberance over SPACs in their space, life sciences executives appear less concerned about a speculative bubble in SPACs than investors or tech executives. Only a quarter of the life sciences leaders believe we are already in a SPAC bubble, compared to 70% of investors and 72% of tech executives. And nearly as many life sciences executives (22%) say there is no SPAC bubble.

SPAC IPO Surge in Life Sciences Will Continue in 2021



SPACs

Life sciences executives and investors are split over what factors will drive companies in their sector to choose SPACs over traditional IPOs. More than two-thirds of investors (67%) believe the influx of higher-quality sponsors—the investors who list SPACs, then go searching for companies to acquire and take public—will be the primary driver. But executives, like their counterparts in technology, see the involvement of institutional investors as the biggest factor—though nearly as many agree that higher-quality sponsors and the perceived speed to listing will be important drivers as well.

SPACs

Factors Most Contributing to Higher Volume of Life Sciences SPACs Compared to Traditional IPOs

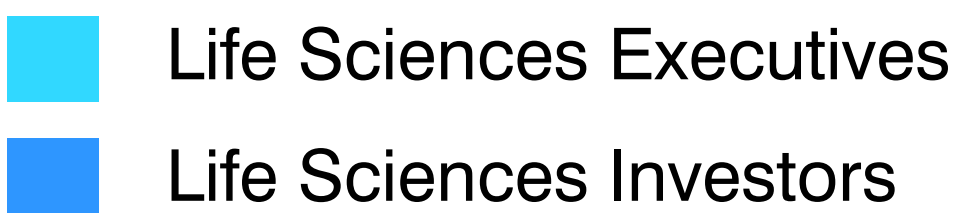
Involvement of Larger Institutional Investors



Listings from/by Higher-Quality Sponsors



Speed the Process of Turning Businesses into Public Companies



Lock-ups



LOCK-UPS

Last year big-data software provider Palantir surprised investors when it announced it would go public in a direct listing—in which a company lists its existing shares rather than raising capital by offering new shares. Palantir’s offering was unique in that it was the first direct listing for a technology company that included a lock-up provision. Palantir’s lock-up provided that existing investors could only sell 20% of their shares for a period of about five months (the official date will be the third trading day after the company announces fourth-quarter earnings).

Palantir’s approach was indicative of the market’s conflicted perceptions around lock-ups. Companies like Palantir—including Spotify and Slack in previous years—with track records of strong growth and healthy financials, have increasingly been choosing direct listings over traditional IPOs, in large part because they want to allow employees and investors to monetize their shares in the heady days that often follow public listing, rather than forcing them to hold their shares until the expiration of the

Lock-ups

traditional 180-day lock-up period. On the other hand, lock-ups are intended to reduce volatility and the risk that mass sell-offs by insiders could scare away new investors.

In the last year, a large number of tech IPOs have utilized alternative lock-up structures, including Snowflake, DoorDash, Aribnb and Unity. Those offerings point toward a desire to strike a balance, shifting away from traditional lock-up periods—without abandoning them entirely.

The conflicts are likewise evident in our survey results. A slight majority (57%) of respondents say they believe lock-up agreements will go away in the next few years—but perceptions vary widely among respondent segments.

Lock-ups

Agree that with the rise in alternative structures of going public, lock-up agreements will go away in the next few years.

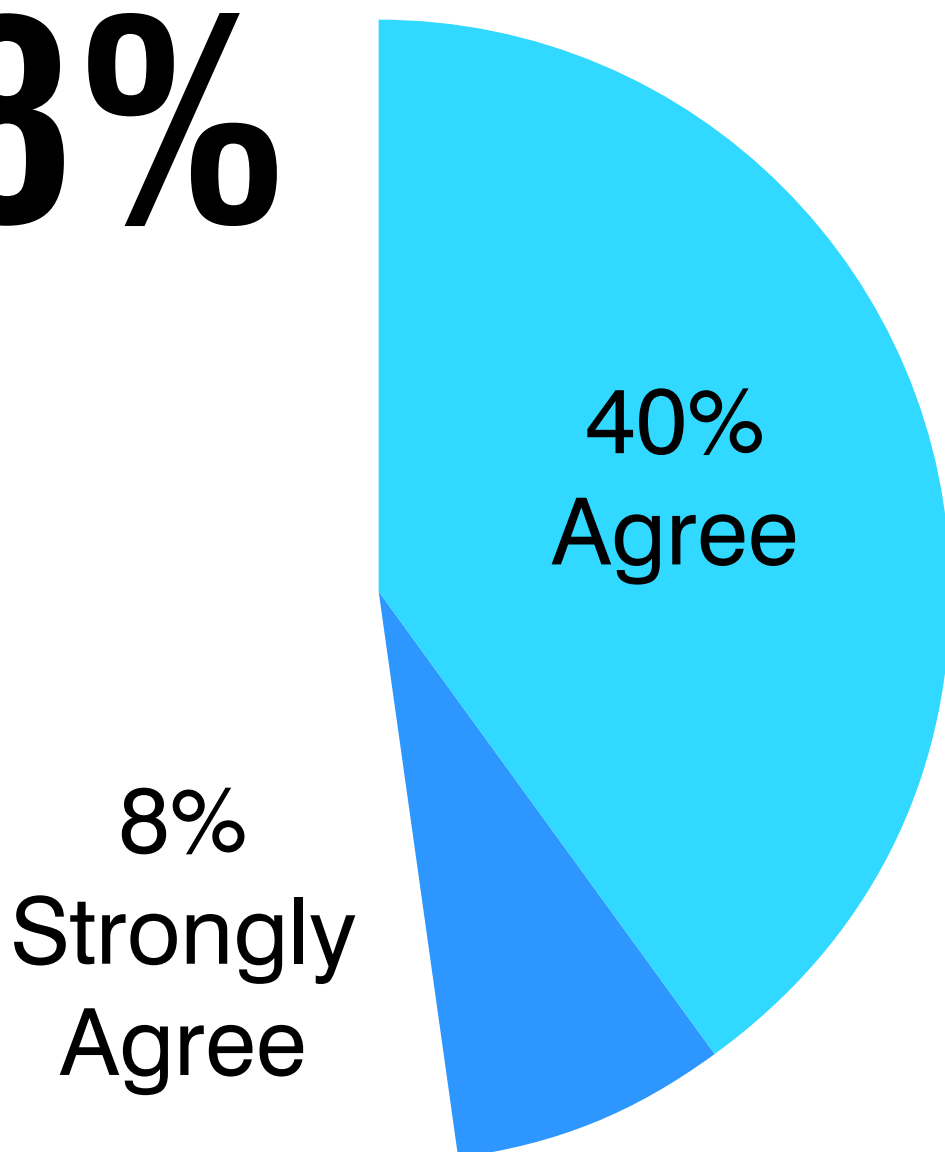


57%

Lock-ups

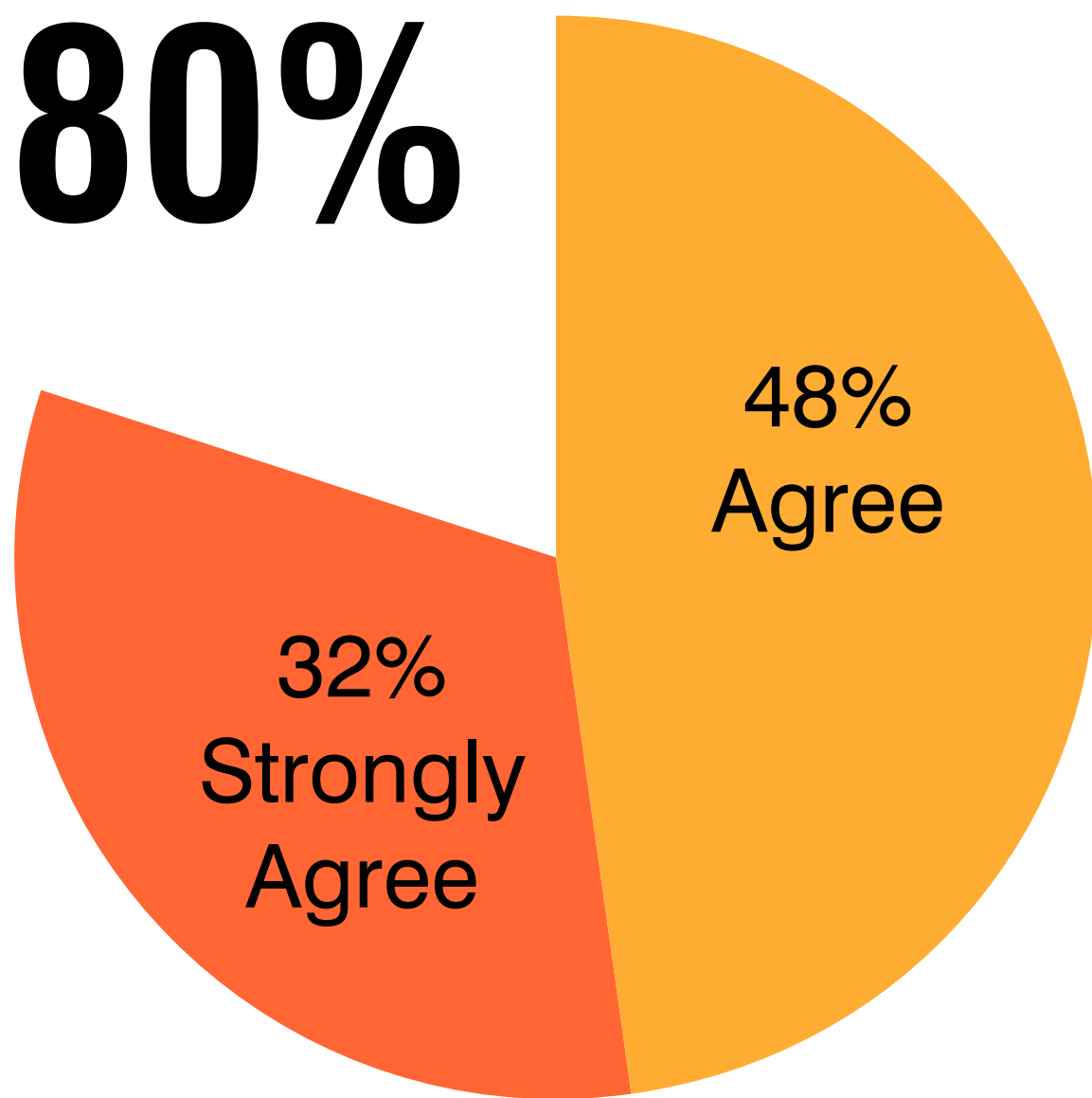
Limited or No Lock-up
Periods in Direct Listings
Are the Primary Catalyst
Behind their Popularity
Over Traditional IPOs

48%

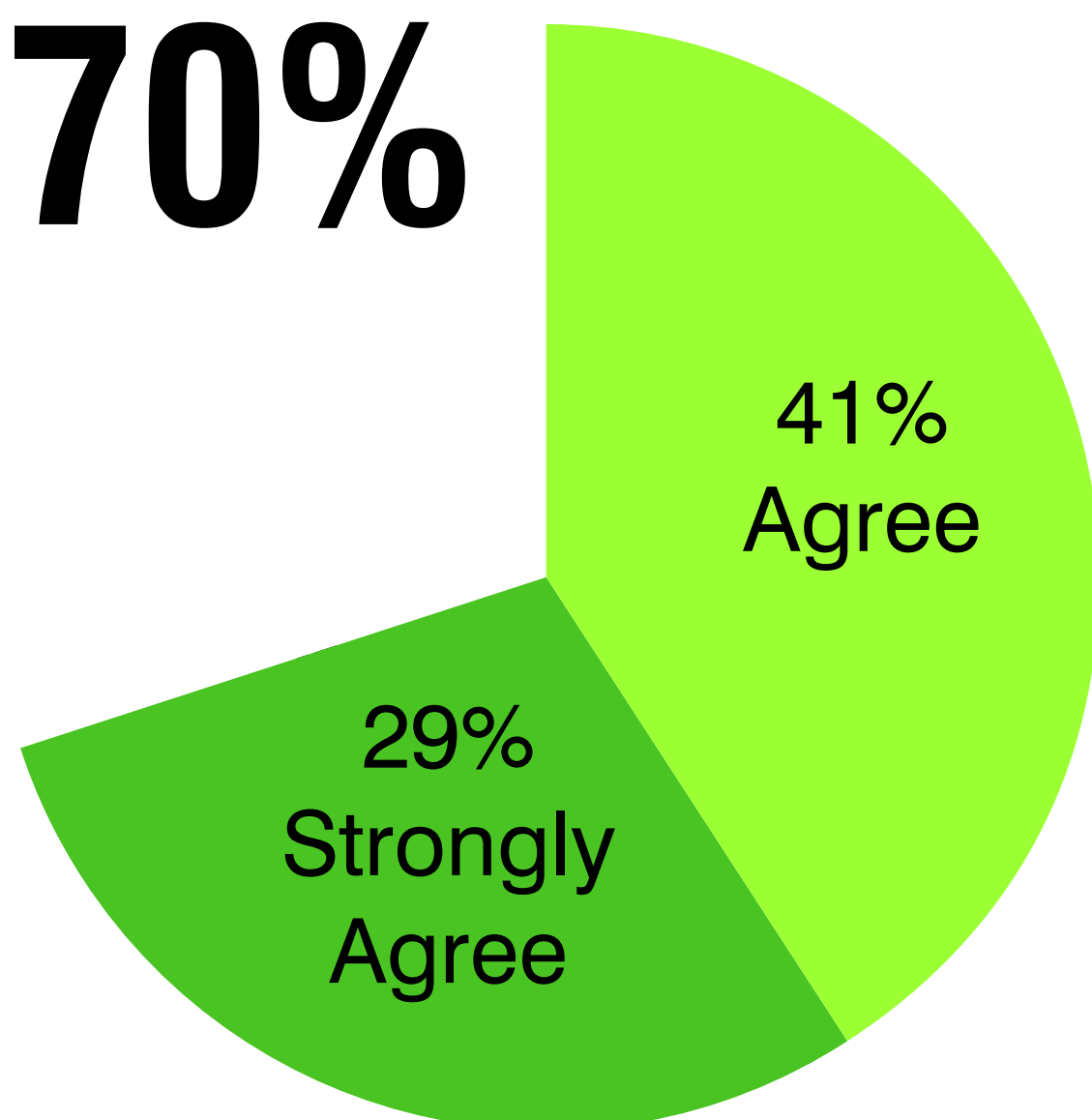


Life Sciences
Executives

Lock-ups



Technology Executives



Investors

TECHNOLOGY

Nearly three-quarters of technology executives (72%) are convinced that lock-ups' days are numbered; and 36% say they strongly agree that lock-ups will go away in the coming years. Similarly, 80% of technology executives say that avoiding lock-up periods is a primary attraction of direct listings.

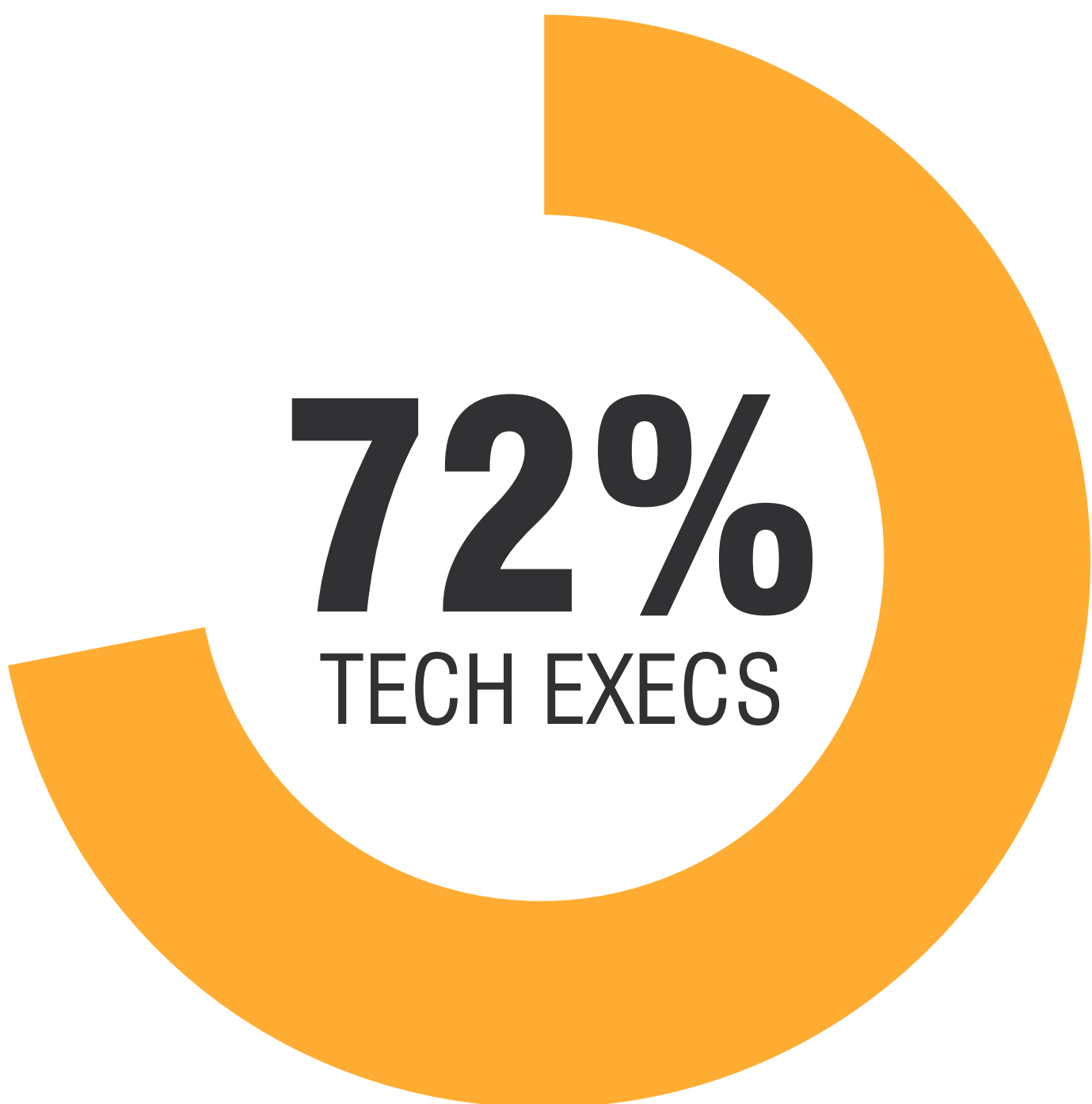
The survey results indicate that the leaders of growth companies in the technology sector will continue pushing toward direct listings—or hybrid approaches like Palantir's—as they pursue public offerings in the near term. Avoiding lock-up periods will be especially appealing to the leaders of companies that have delivered consistent, strong growth, which can shield them from the volatility that lock-ups are intended to prevent.

It is also important to note that in December 2020, the U.S. Securities and Exchange Commission announced it will allow companies to raise capital through direct listings.

We [previewed](#) the coming of Primary Direct Floor Listings in August, noting that future direct listings may feature bespoke lock-up periods like Palantir's until an industry standard emerges.

Lock-ups

Agree that with the rise in alternative structures of going public, lock-up agreements will go away in the next few years.



LIFE SCIENCES

Only 25% of life sciences executives, by contrast, believe that lock-ups will decline in the coming years—and only 3% say they strongly agree with that belief. Only 48% of life sciences executives agree that the desire to avoid lock-up periods is fueling the pursuit of direct listings, which life sciences companies rarely use.

The divergent perspectives between life sciences and technology executives could simply reflect business realities in the two sectors. Many more life sciences startups list their shares at an earlier stage, often (and especially in the pharmaceutical sector) before they have generated revenue, making them highly vulnerable to volatility.

Investors' perspective on lock-ups falls closer to the technology executives. On both the questions of whether lock-ups will die out in the coming years and whether they drive companies toward direct listings, 70% of investors believe they are.

Lock-ups

Agree that with the rise in alternative structures of going public, lock-up agreements will go away in the next few years.



25%
LIFE SCIENCES
EXECS

Dual-Class Structures



DUAL-CLASS STRUCTURES

The number of IPOs with dual classes of shares jumped from 4% in 2006 to 17% in 2017, according to Institutional Shareholder Services (ISS), and has held steady in the three years since. Technology companies—starting with Google’s 2004 IPO—have shown a particular predilection for dual-class structures, on the belief that giving founders super-voting shares empowers them to make decisions that will benefit a company in the long-term, while limiting short-term pressure from public company investors.

Shareholder groups, of course, see it differently. Organizations like the Council of Institutional Investors and ISS have argued vigorously against dual-class structures, which they say shelter founders and managers from accountability.

Respondents to our survey expect dual-class structures to proliferate in the coming years—especially when they include sunset clauses that automatically convert all shares to a single share structure after a predetermined time period. Of the 115 tech and life sciences companies that went public last year, 29 utilized dual-class structures. Of those, 20 went public with sunset provisions associated with these structures.

Dual-Class Structures

TECHNOLOGY

Investors in the technology sector expect to see dual-class structures with sunset provisions used more often in the future. Technology executives foresee a similar future, though fewer are convinced that sunset provisions will become prevalent. Their view is supported by what transpired in the second half of 2020, in which 52% of technology IPOs included dual-class structures.

Among the small group of investors (12%) and executives (13%) who believe dual-class IPOs will decline or be eliminated, the respondents primarily cite the greater likelihood that those companies will face governance challenges as shareholders object to the dual-class structures through proxy voting.

Taken together, 87% of investors and executives believe dual-class IPOs will be increasingly utilized in some form. The clear indication is that, in a strong IPO environment where founders and early investors hold powerful leverage, markets can expect a steady increase of dual-class offerings.

Dual-Class Structures

Future of Dual-Class Structures in Technology Industry IPOs in the U.S.

The Dual-Class Structures will Continue to be Increasingly Utilized, but only with the Inclusion of a Mandatory Sunset Clause



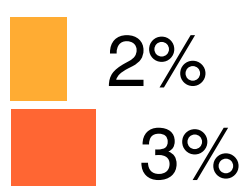
The Dual-Class Structures will Continue to be Increasingly Utilized



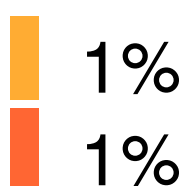
The Use Dual-Class Structures will Decrease



The Use Dual-Class Structures will be Eliminated



Other



Technology Executives

Technology Investors

Dual-Class Structures

LIFE SCIENCES

Life sciences executives are far less convinced about the staying power of dual-class structures; fewer than half believe use of dual-class IPOs will increase, and 18% believe their usage will decline. Life sciences investors, however, see a different road ahead—two thirds believe utilization of dual-class IPOs with sunset provisions will continue. This is in line with the low number of dual-class IPOs seen in the second half of 2020 (just seven, or 11%). Executives have reason for their gloomy outlook on sunset thresholds, too—less than half of last year’s dual-class offerings included such provisions.

Surprisingly, 11% of life sciences investors say dual-class structures will be eliminated in the future. That may be an extension of their attitude toward those IPOs—life sciences respondents cite investors’ reduced likelihood to invest as the primary reason why use of dual-class structures could decline or be eliminated.

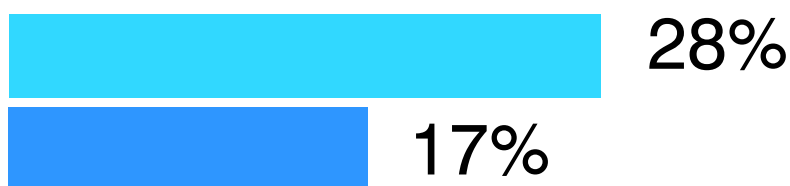
Dual-Class Structures

Future of Dual-Class Structures in Life Sciences Industry IPOs in the U.S.

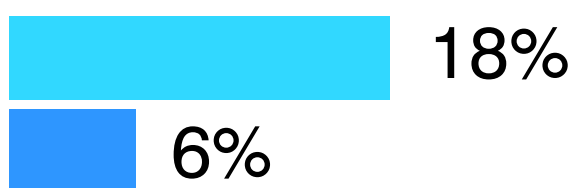
The Dual-Class Structures will Continue to be Increasingly Utilized, but only with the Inclusion of a Mandatory Sunset Clause



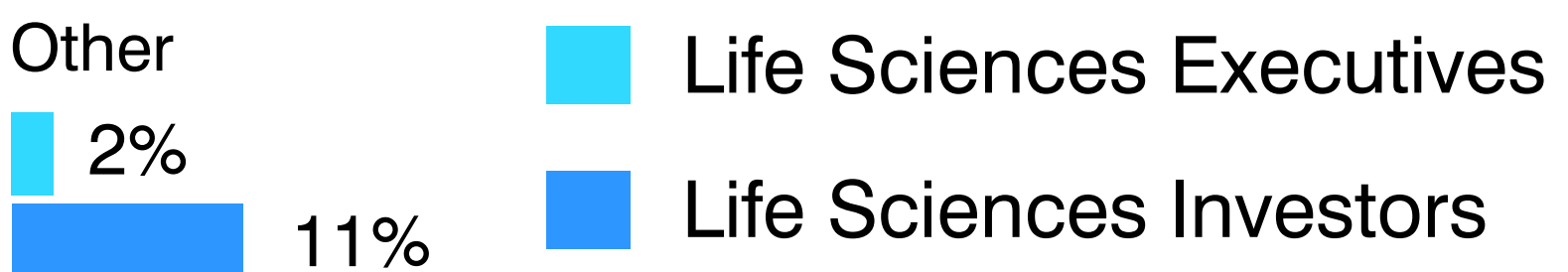
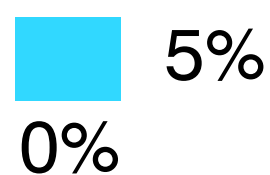
The Dual-Class Structures will Continue to be Increasingly Utilized



The Use Dual-Class Structures will Decrease



The Use Dual-Class Structures will be Eliminated



A Closer Look at the Second Half of 2020

By the Numbers

After a brief pause in the first half of 2020, public offerings roared back to life in the second half of 2020, posting the most active six months for technology and life sciences IPOs since we began tracking them in 2012.

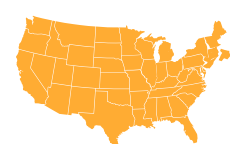
Shaking off the spring's pandemic-induced doldrums, the two sectors completed 63 IPOs in the third quarter, more than in the entire first half. Activity remained nearly as robust in the fourth quarter, fueled by growing optimism for a post-pandemic recovery and by the surging popularity of SPACs.

By the Numbers

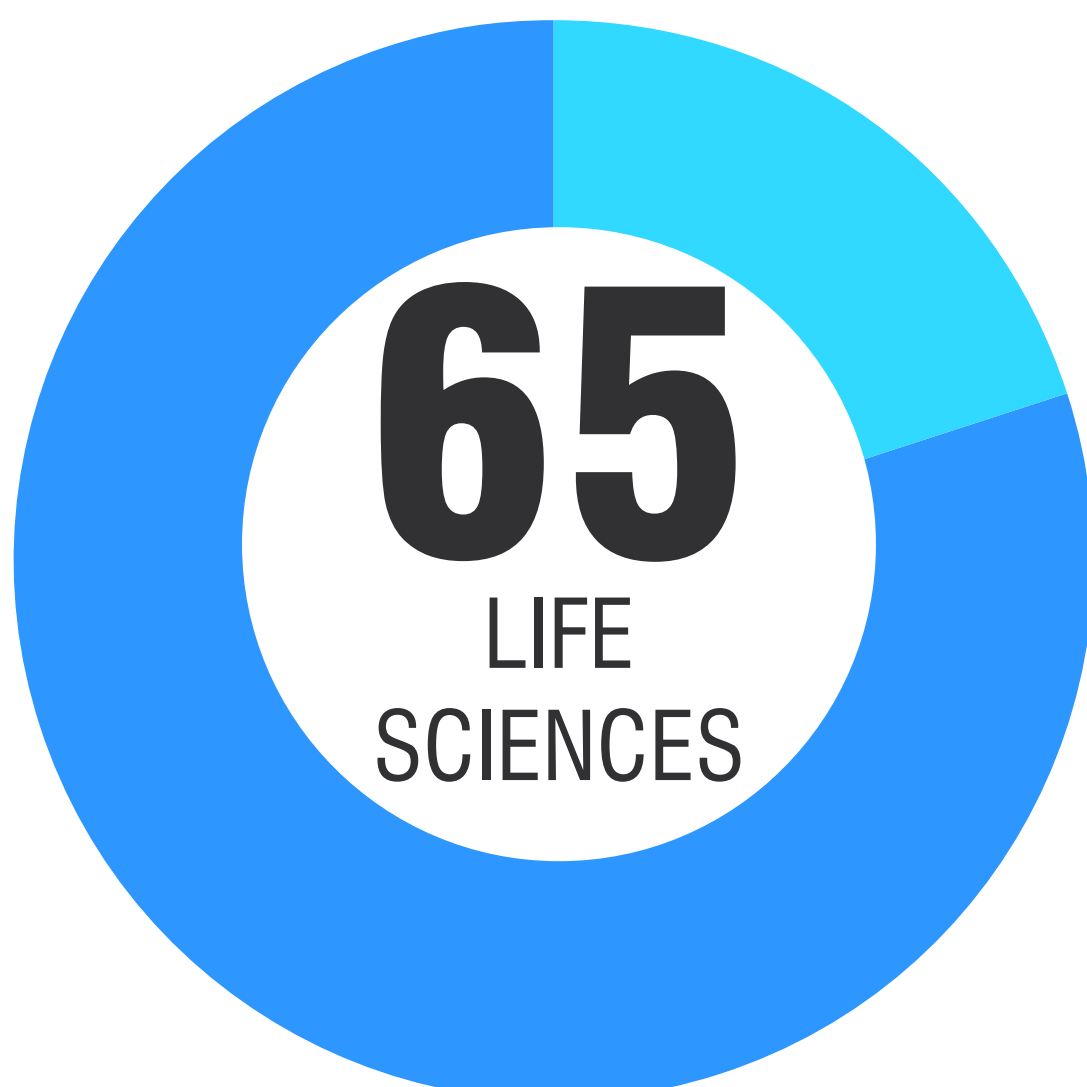
NUMBER OF U.S. IPOS IN H2 2020



18 FOREIGN ISSUERS



32 UNITED STATES



13 FOREIGN ISSUERS

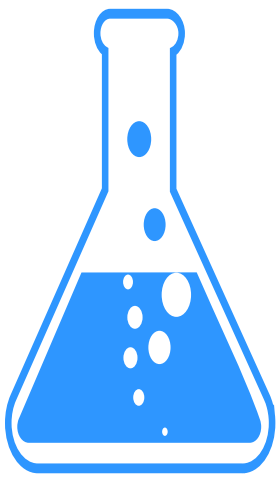


52 UNITED STATES

By the Numbers

A total of 115 technology and life sciences companies, exclusive of SPACs, went public in the second half of 2020. That is 41% more than in the first half and 33% more than in the second half of 2019. The technology sector rebounded from 11 IPOs in the first half—and only one in the first quarter—to bring 50 companies public in the second half. The 65 life sciences IPOs brought the full year total for that sector to 98 offerings. A record 247 SPAC IPOs were completed in the U.S. in 2020 (including 211 in the second half) according to Deal Point Data, raising about \$75 billion in gross proceeds.

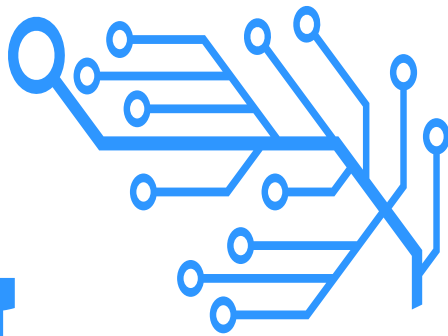
By the Numbers



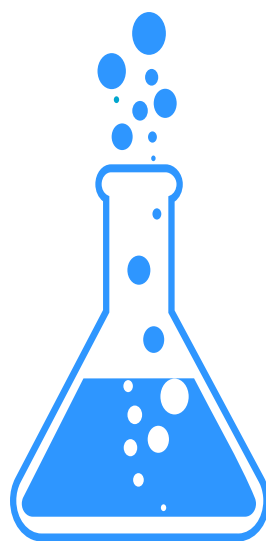
33
LIFE
SCIENCES

2020 H1
IPOS

13
TECH

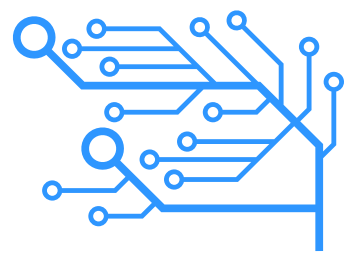


2020 H2
IPOS



65
LIFE
SCIENCES

50
TECH

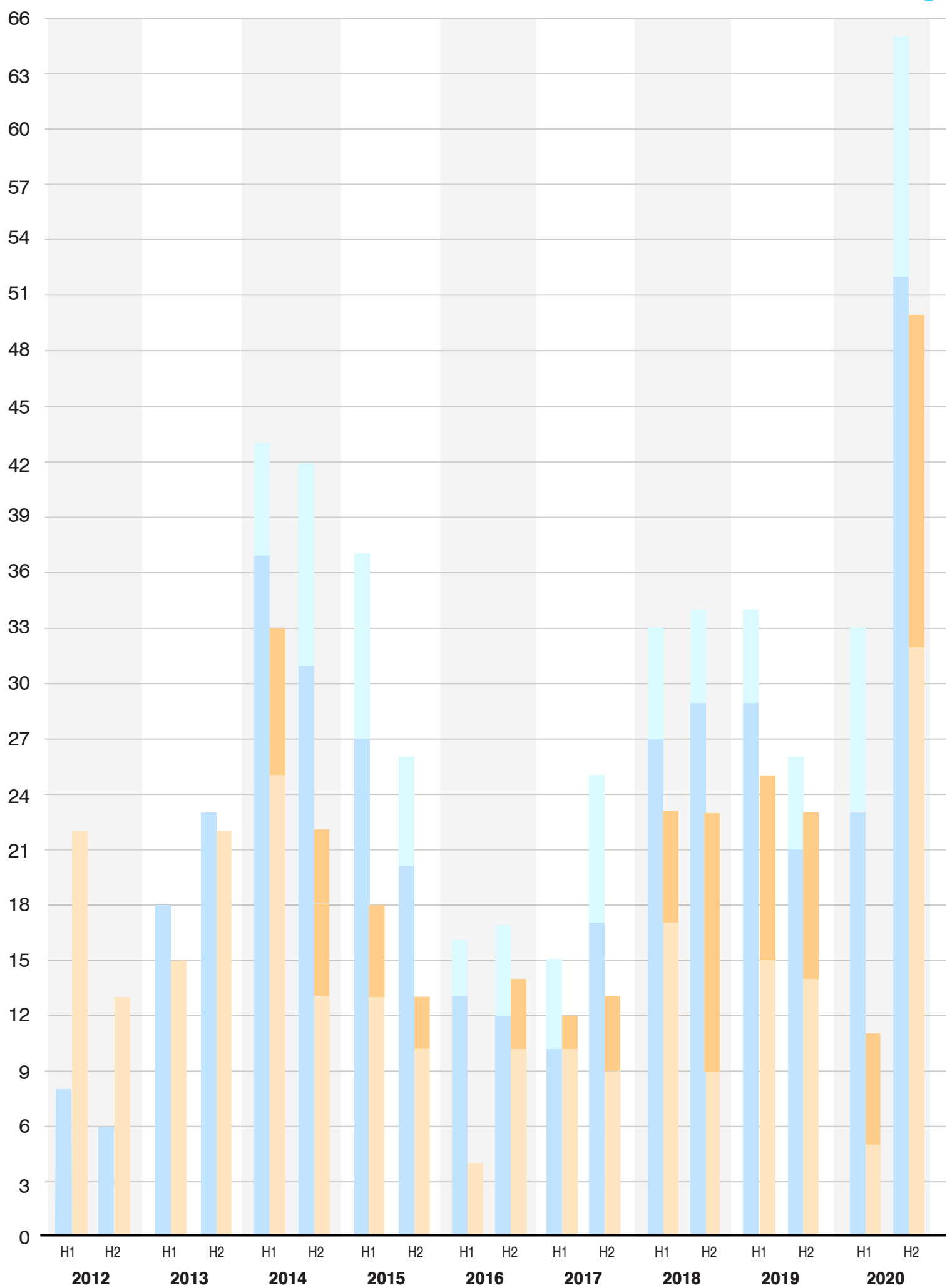


Offerings Completed

This graph shows the number of technology and life sciences IPOs completed during each quarter of 2012 through 2020.

IPOS PER QUARTER 2012 – 2020

Technology—U.S.
 Technology—Foreign
 Life Sciences—U.S.
 Life Sciences—Foreign



Offerings Completed

This graph shows the number of technology and life sciences IPOs completed during 2020.

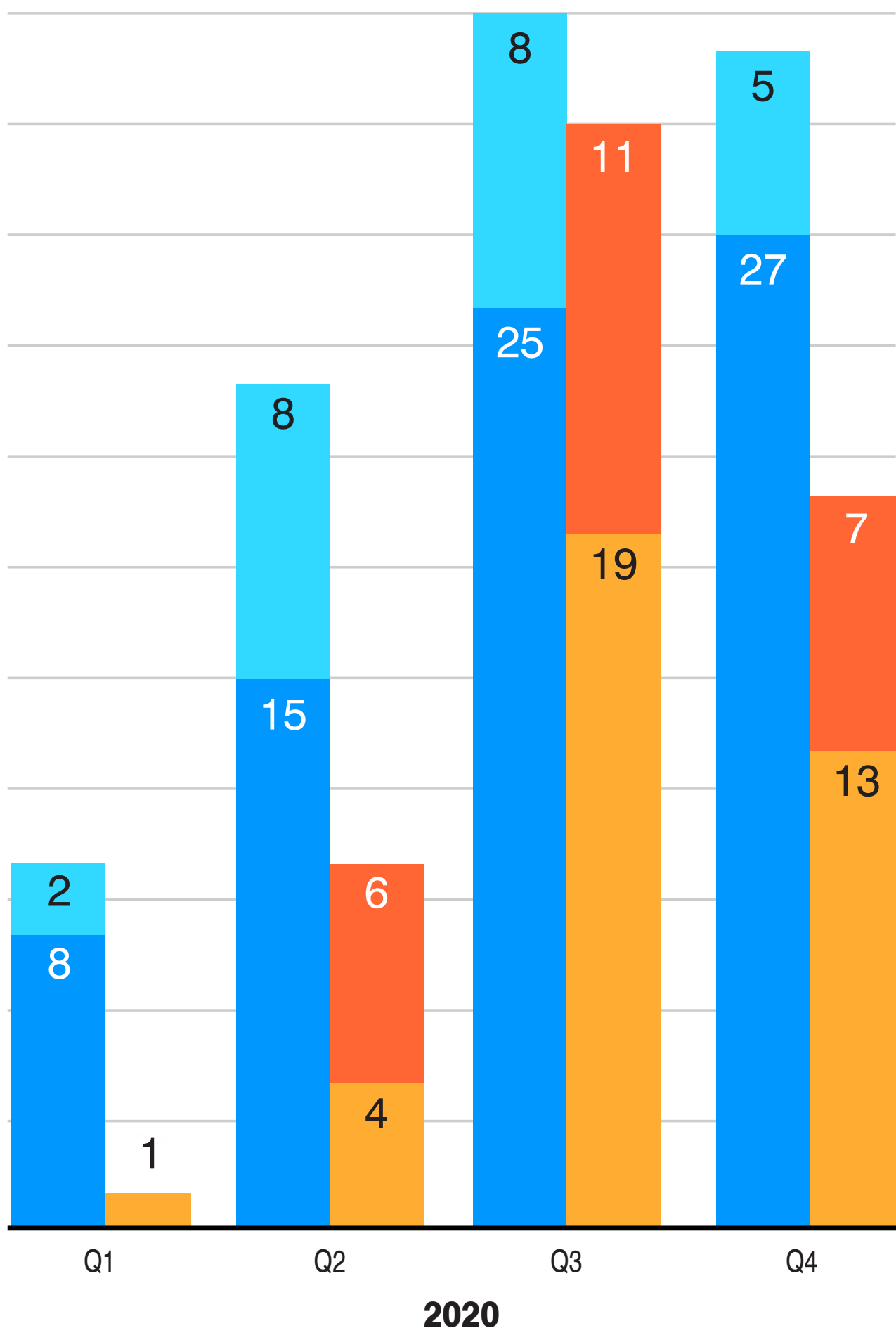
IPOS PER QUARTER IN 2020

Technology—U.S.

Technology—Foreign

Life Sciences—U.S.

Life Sciences—Foreign



Deal Size

After a first half in which the majority of technology IPOs raised less than \$50 million, and none raised more than \$1 billion, mega-offerings also rebounded in that sector. Twenty-two percent of tech IPOs raised more than \$1 billion in the second half of 2020; 12% raised more than \$2 billion.

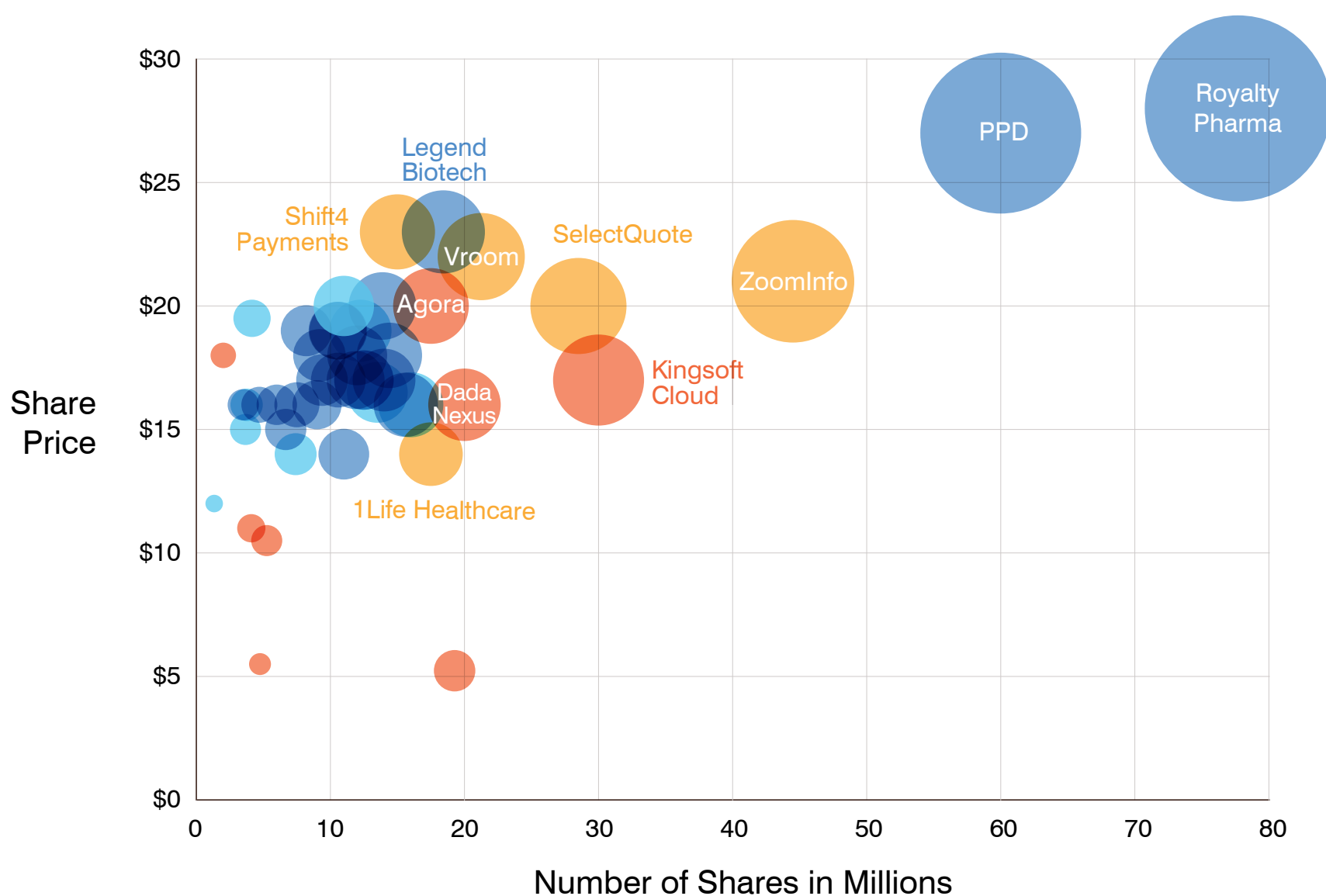
The proliferation of life sciences offerings in the second half mostly occurred in the middle range of deal size. Nearly half (43%) raised between \$75 million and \$175 million. Only 7% of life sciences IPOs raised more than \$1 billion.

The biggest IPO of 2020 was a SPAC: Pershing Square Tontine Holdings, led by billionaire investor Bill Ackman, raising \$4 billion in July.

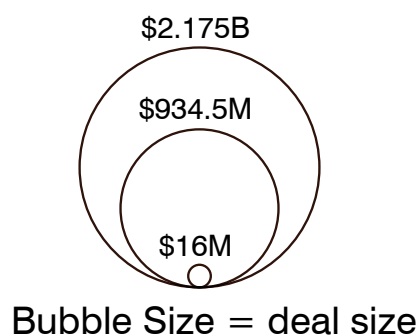
Size of Offerings, Final IPO Price

The following scatter graphs plot the size of technology and life sciences IPOs completed during the first and second half of 2020 based on the actual public offering price per share and number of shares offered.

IPO DEAL COMPARISON 2020, FIRST HALF

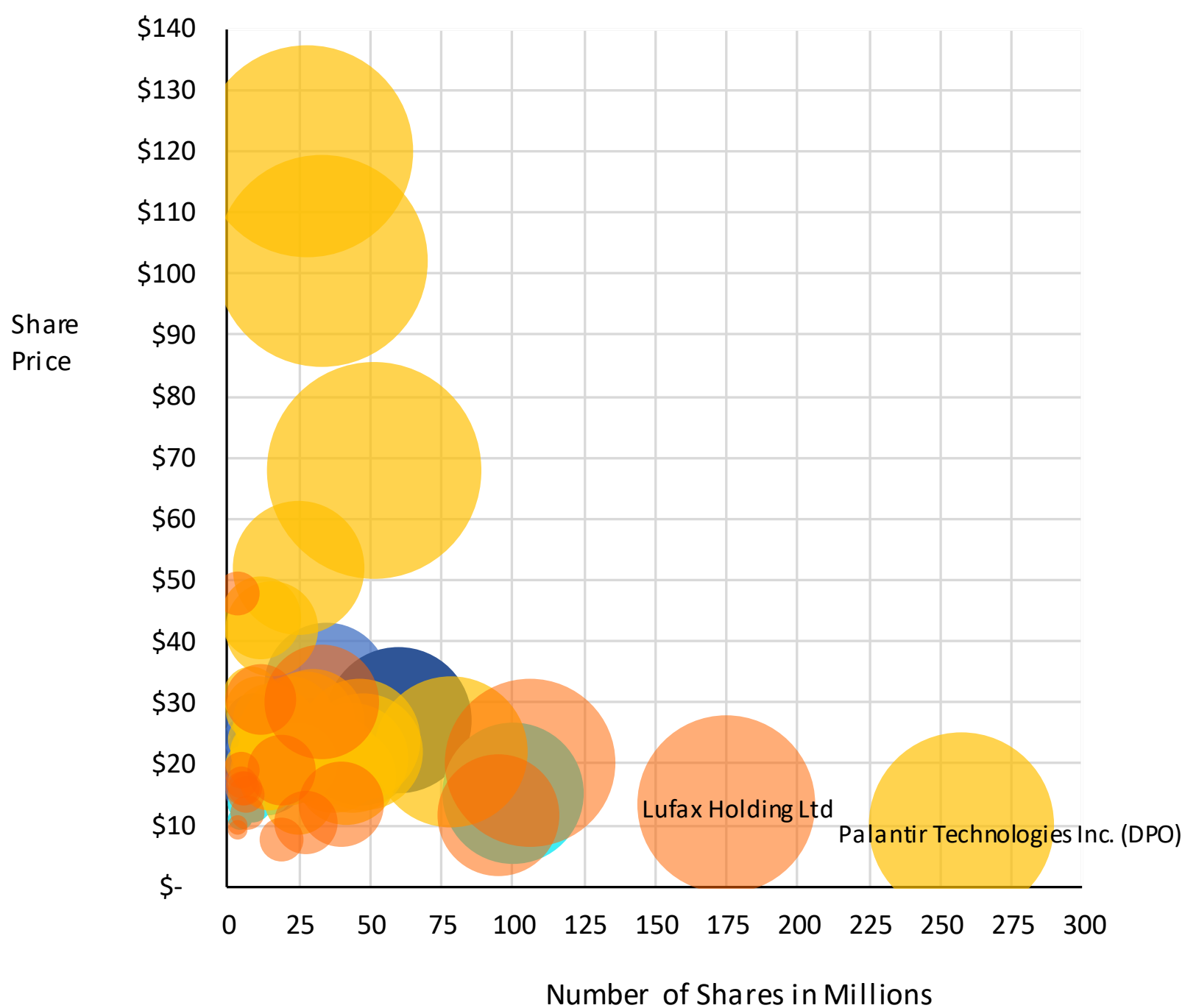


- Technology U.S. (14 deals)
- Technology Foreign (9 deals)
- Life Sciences U.S. (21 deals)
- Life Sciences Foreign (5 deals)



Size of Offerings, Final IPO Price

IPO DEAL COMPARISON 2020, SECOND HALF

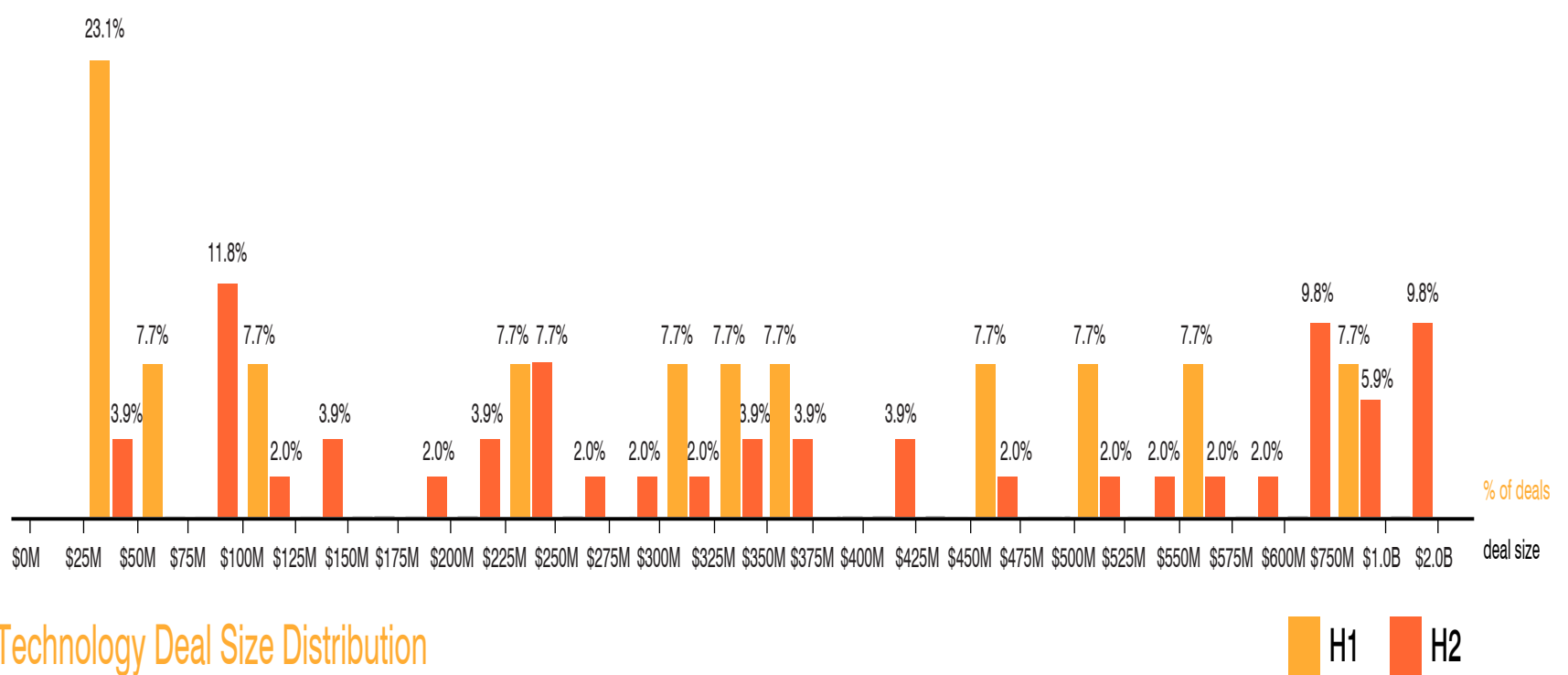


- Life Sciences U.S. (52 deals)
- Life Sciences Foreign (13 deals)
- Technology U.S. (38 deals)
- Technology Foreign (12 deals)

Aggregate Amount Raised, Final IPO Price

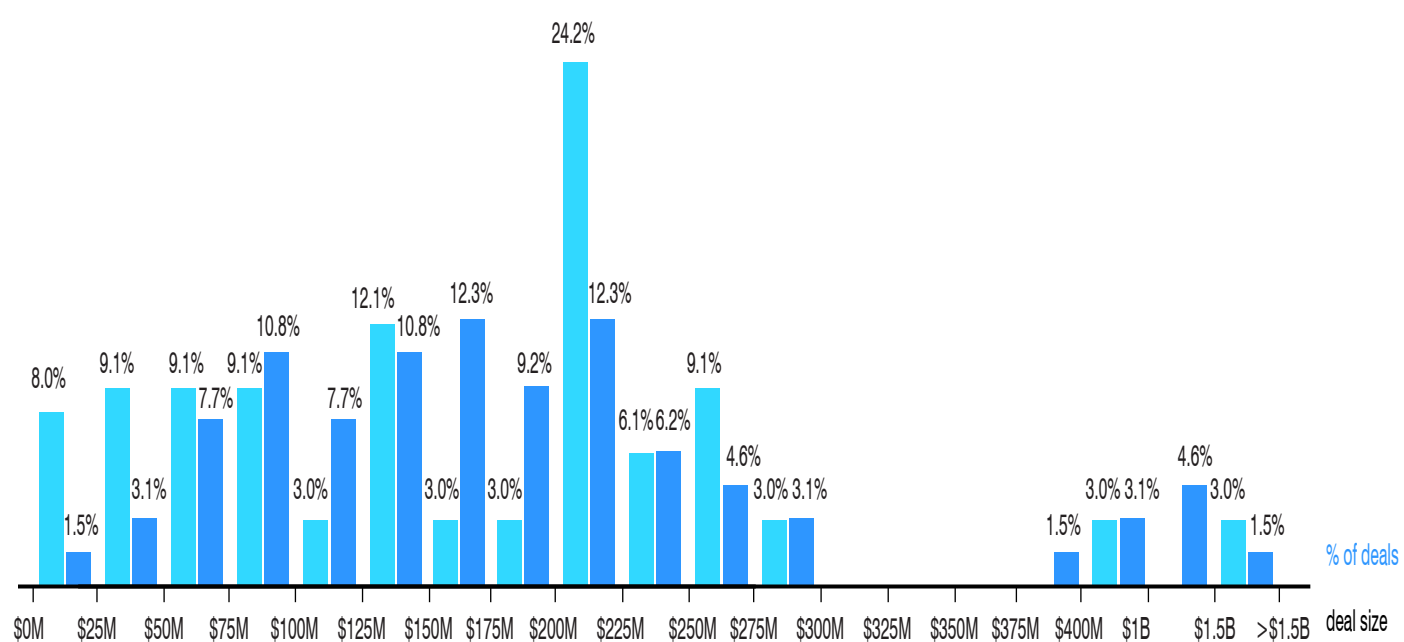
The following graphs provide information about aggregate deal size based on the actual pricing of the offering in the first and second half of 2020.

TECHNOLOGY AND LIFE SCIENCES DEAL SIZE DISTRIBUTION (%) BASED ON FINAL IPO PRICE: H1 2020 VS H2 2020



Technology Deal Size Distribution

H1 H2



Life Sciences Deal Size Distribution

H1 H2

Pricing

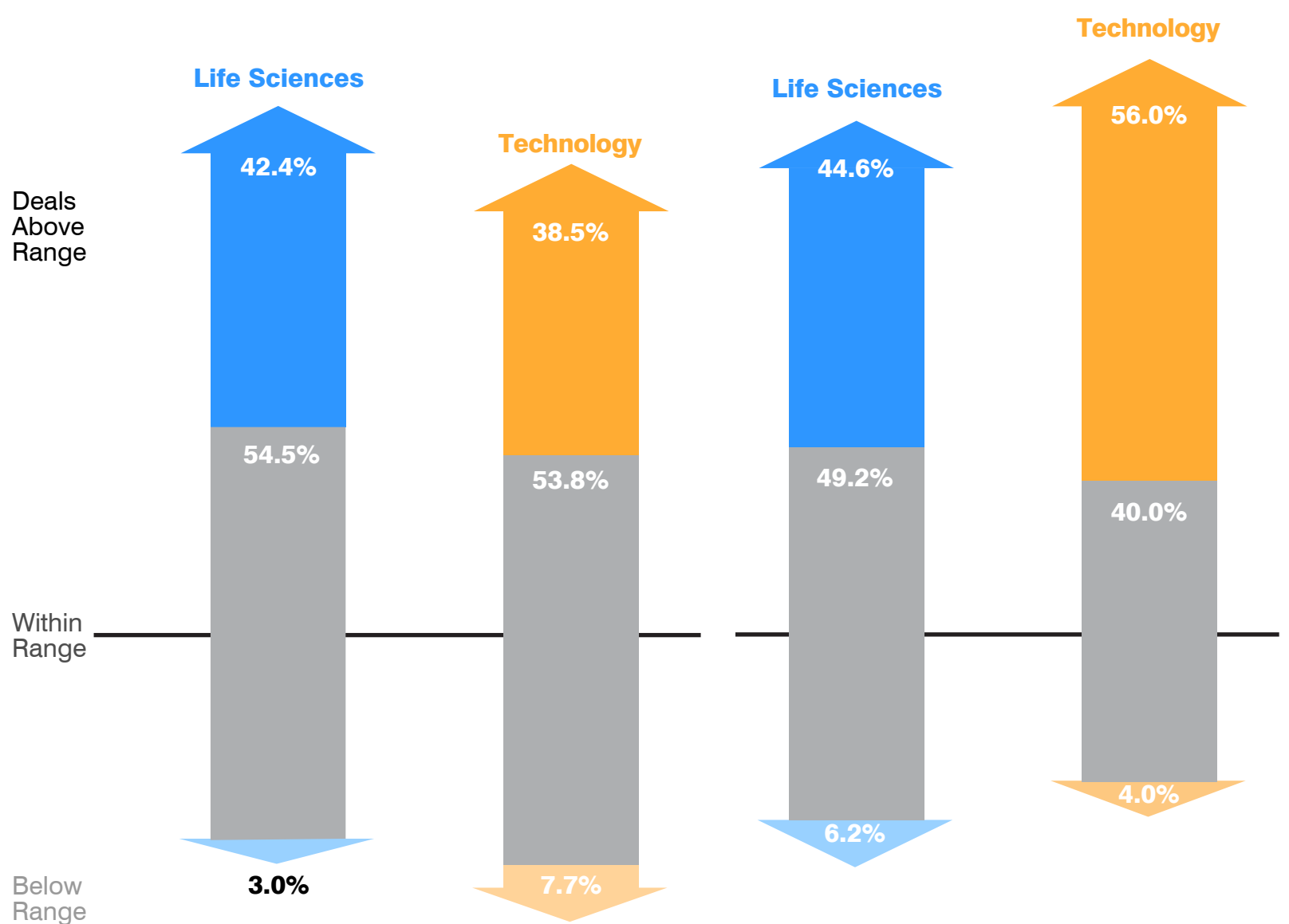
In another demonstration of the market's voracious appetite for new offerings, nearly all second-half IPOs priced within or above-range—just as in the first half. Fully 56% of technology offerings priced above range, and only 4% fell below; 45% of life sciences IPOs priced above range, and just 6% fell below.

Pricing

These two graphs show the percentage of technology and life sciences IPOs with a final price that falls above, within or below the estimated price range reflected in the preliminary prospectus in the first and second half of 2020.

RELATION OF FINAL IPO PRICE TO MIDPOINT OF ESTIMATED PRICE RANGE (% OF DEALS) 2020, FIRST HALF

RELATION OF FINAL IPO PRICE TO MIDPOINT OF ESTIMATED PRICE RANGE (% OF DEALS) 2020, SECOND HALF

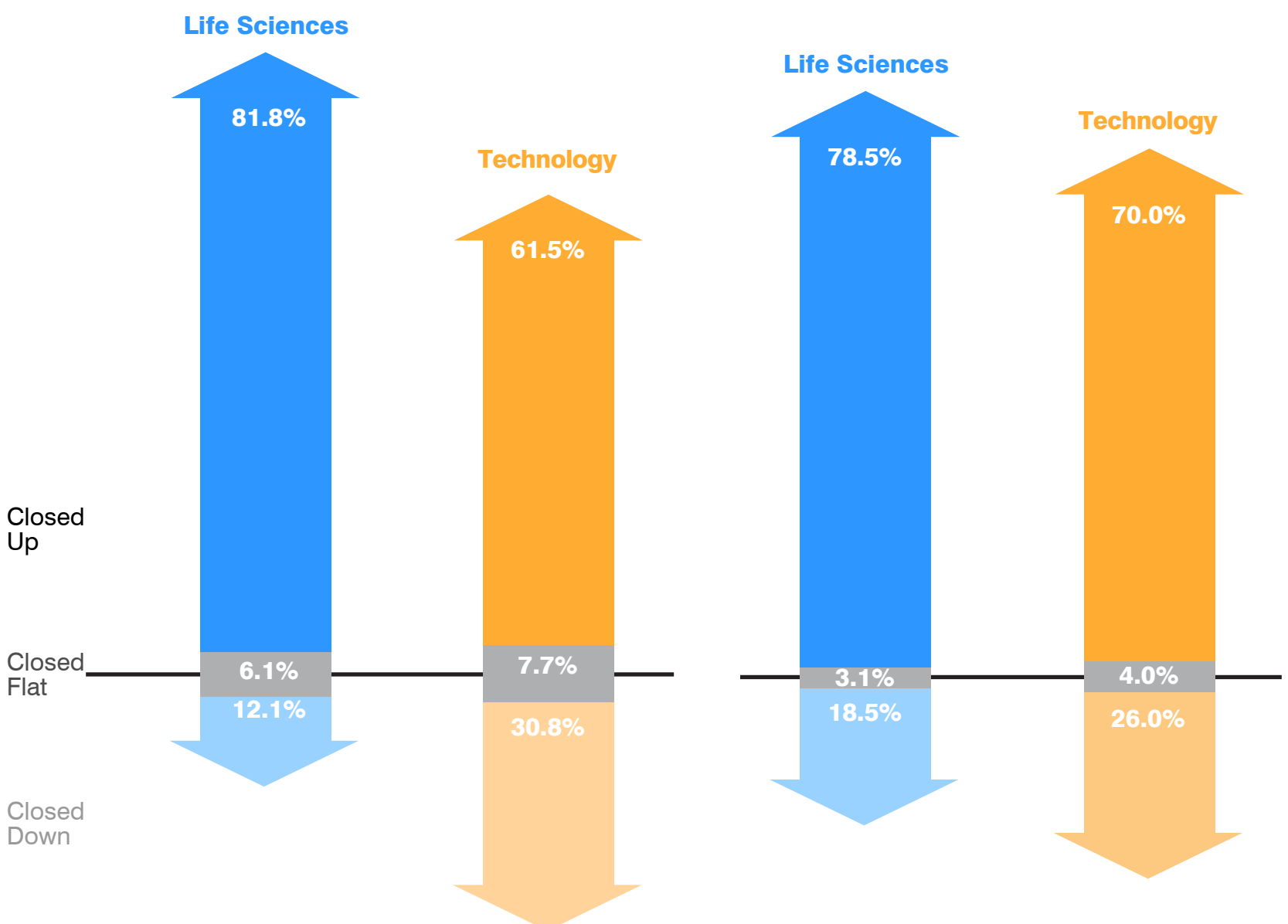


Pricing

The two graphs on the right show the percentage of technology and life sciences deals that closed up, down or flat on their first day of trading in the first and second half of 2020.

RELATION OF PRICE AT 1ST DAY CLOSE TO FINAL IPO PRICE (% OF DEALS) 2020, FIRST HALF

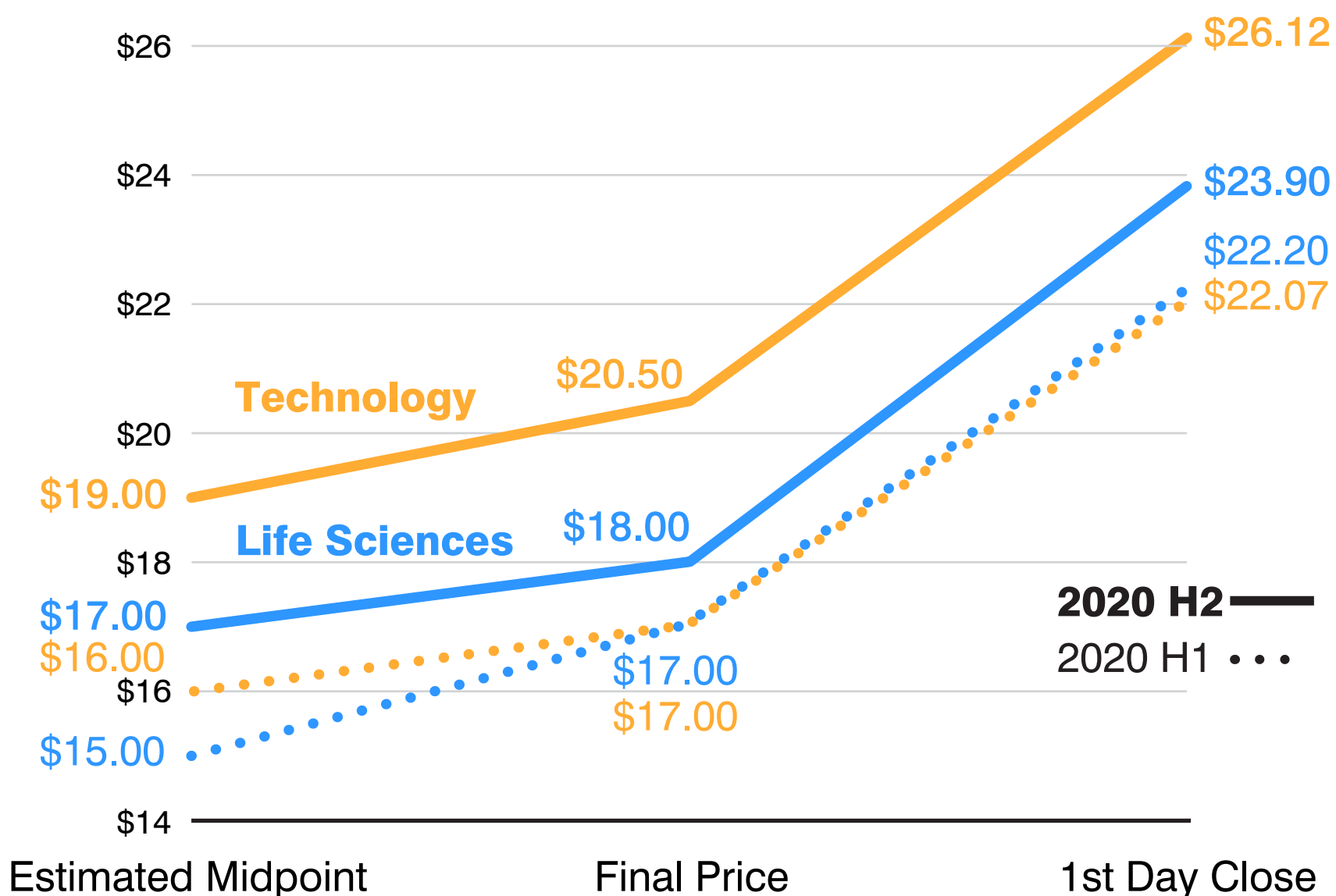
RELATION OF PRICE AT 1ST DAY CLOSE TO FINAL IPO PRICE (% OF DEALS) 2020, SECOND HALF



Price Changes Between the Estimated and Actual Public Offering Price

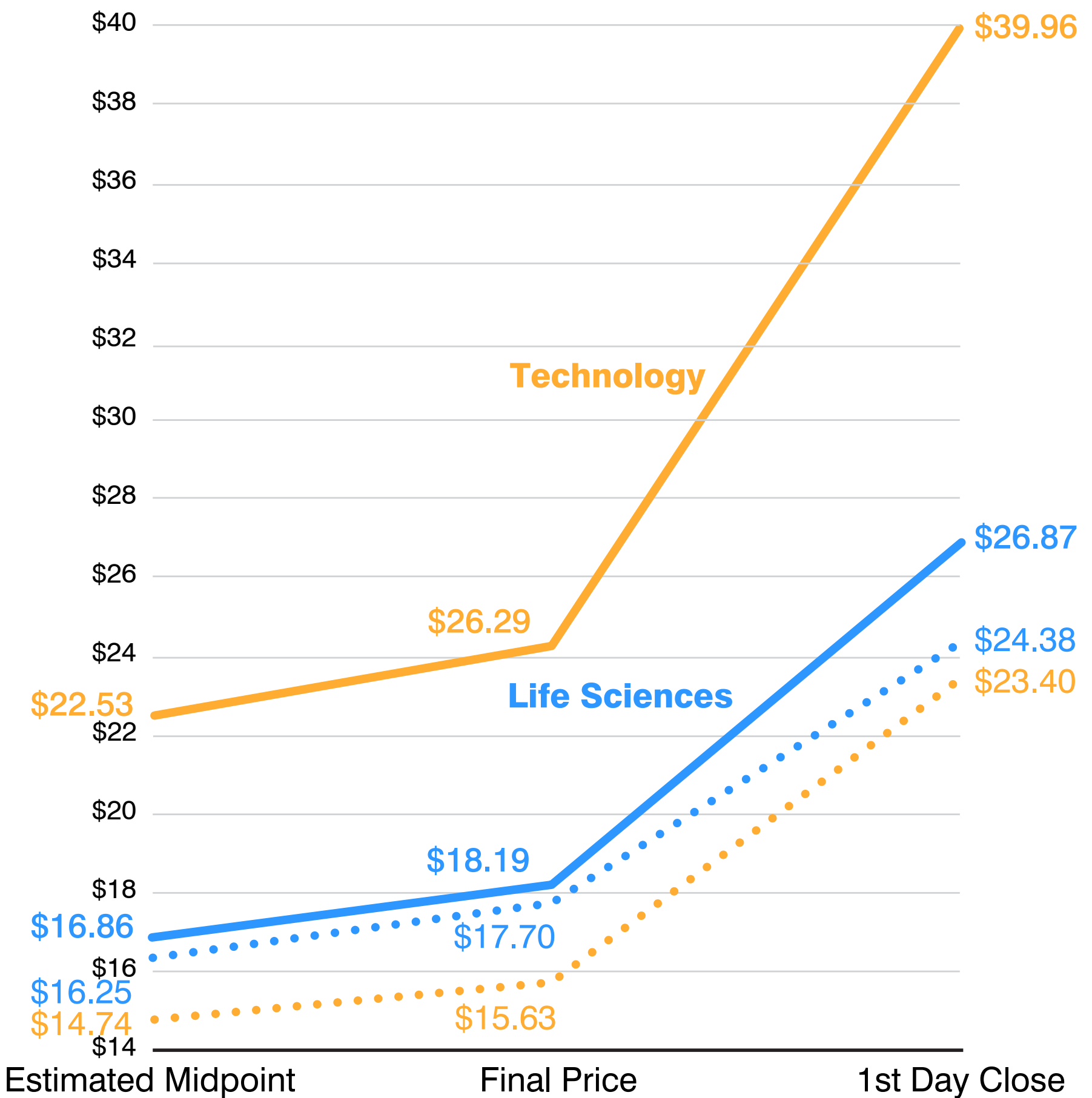
Estimating the offering price for the IPO in the preliminary prospectus and pricing the IPO upon completion of marketing efforts are processes that are equal parts science and art. These graphs show the median and average prices for technology and life sciences IPOs from the midpoint of the estimated price range reflected in the preliminary prospectus to the actual public offering price to the closing price on the first day of trading, for the first and second half of 2020.

MEDIAN PRICES FOR TECHNOLOGY & LIFE SCIENCES IPO DEALS



Price Changes Between the Estimated and Actual Public Offering Price

AVERAGE PRICES FOR TECHNOLOGY & LIFE SCIENCES IPO DEALS



2020 H2 —
2020 H1 ...

Methodology

Methodology

The information shared in this report is based on two phases of research conducted by Fenwick:

IPO transaction reporting: Data points used in the compilation and analysis of H2 2020 IPO transactions were gathered using a variety of resources, including, but not limited to, filings made with the U.S. Securities and Exchange Commission, lock-up expiration dates from EDGAR Online IPO Deal Data and daily stock-trading price data. The exact dates upon which lock-ups expired were estimated based on disclosure in the prospectuses and may further be approximate in the case of dates falling on holidays or weekends.

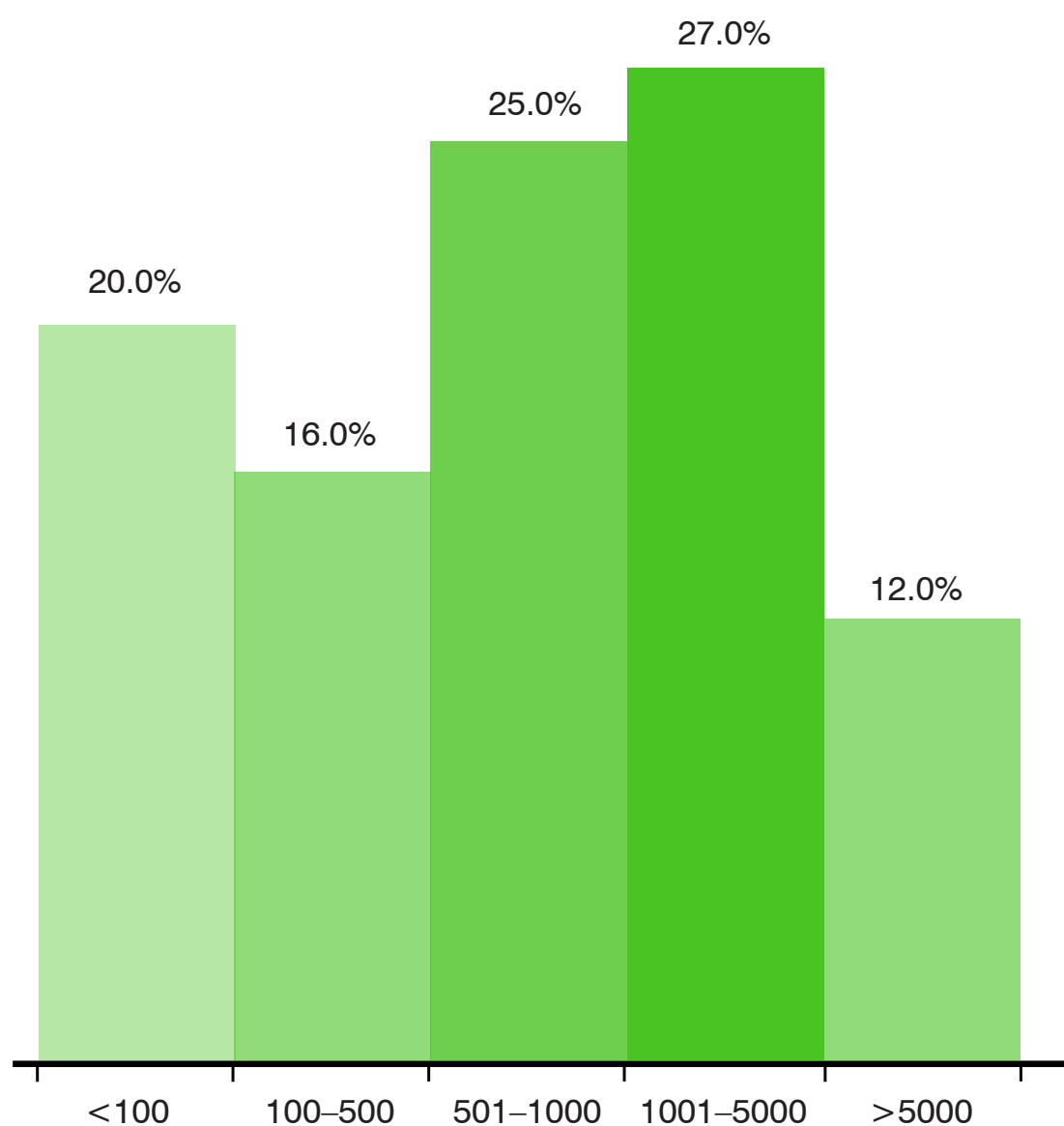
Companies were assigned to the Technology and Life Sciences sectors based on SIC codes and other company descriptors.

The information in the graphs and tables regarding offering size does not reflect any exercise of the underwriters' over-allotment, or green shoe, option.

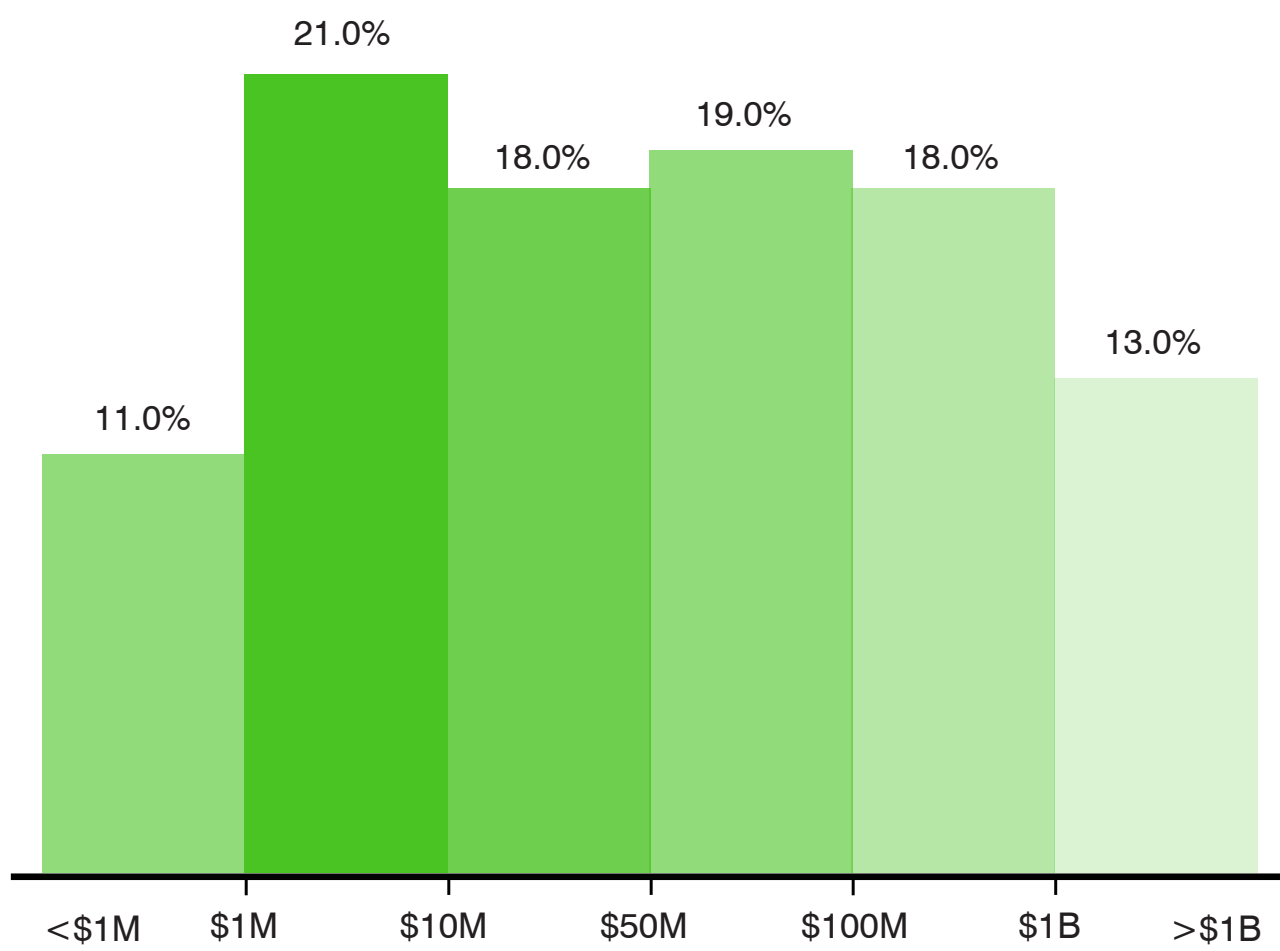
Information at the preliminary prospectus stage is based on the midpoint of the range and on the number of shares offered, as reflected on the cover page of the first preliminary, or red herring, prospectus. The information regarding the actual offering size is based on the price to the public and the aggregate number of shares offered, as reflected on the cover page of the final prospectus. The closing price on the first day of trading is the closing price on the company's primary exchange on the first day of public trading of the shares following the pricing of the offering.

Methodology

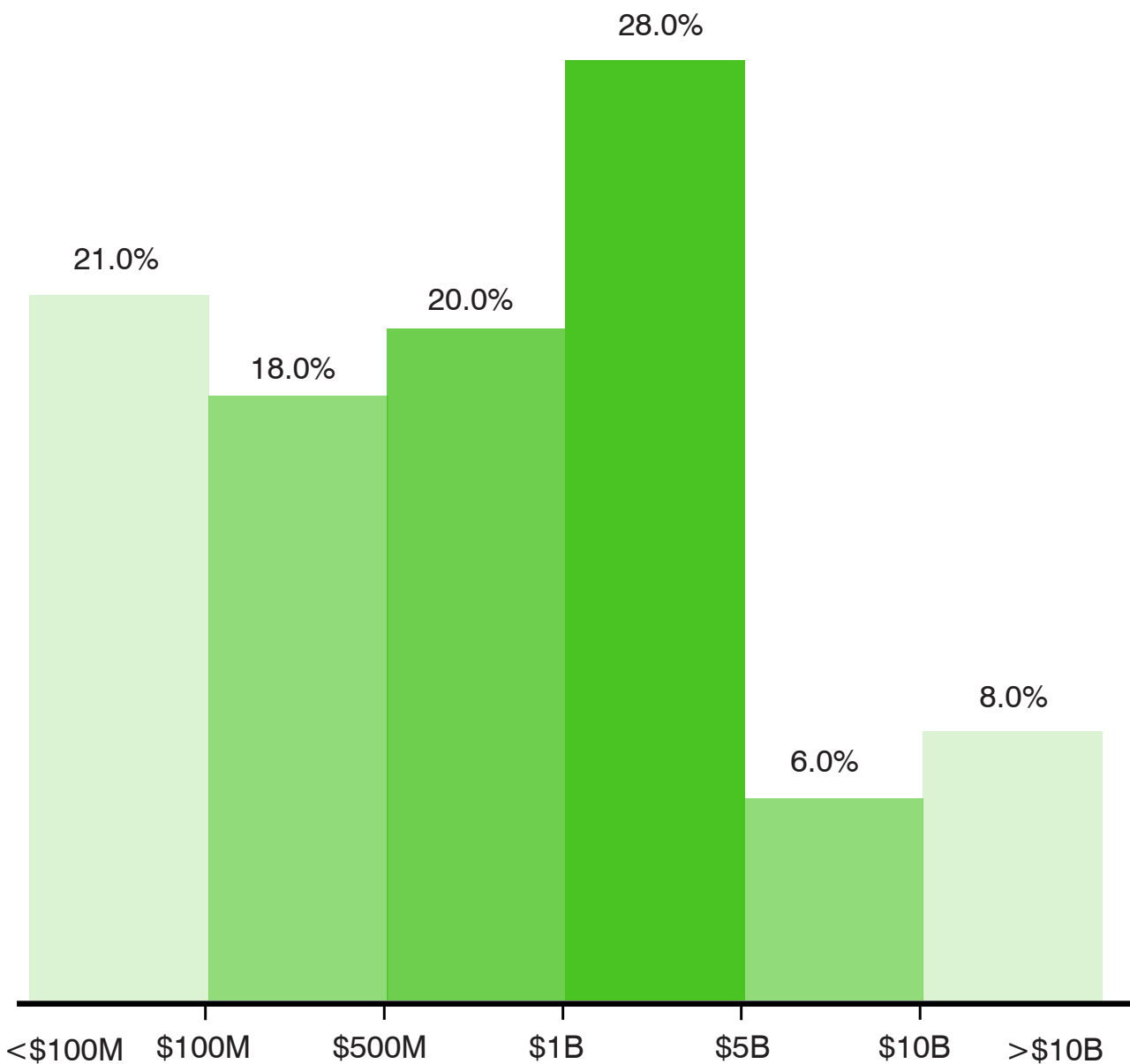
Online survey: Fenwick conducted an online survey of 366 U.S.-based professionals involved in the technology and life sciences investment spaces in January 2021. These included technology executives (170), life sciences executives (109) and investors in technology and life sciences (87). Of the technology and life sciences executives, more than one third hold C-suite titles. Those categorized as investors worked in investment banking, private equity, venture capital and hedge fund investing. Respondents represented 44 states. Other demographic breakdowns included:



Number of Employees in Organization



Estimated 2020 Revenues
(Life Sciences and Technology Companies Only)



Estimated 2020 Assets Under Management
(Investors Only)

Disclaimer

The preparation of the information contained herein involves assumptions, compilations and analysis, and there can be no assurance that the information provided herein is error-free. Neither Fenwick & West LLP nor any of its partners, associates, staff or agents shall have any liability for any information contained herein, including any errors or incompleteness. The contents of this report are not intended, and should not be considered, as legal advice or opinion.

Sign-Up Information

To be placed on an email list for future editions of this survey, please visit fenwick.com/iposurvey and go to the sign-up link at the bottom of the page.

© 2021 Fenwick & West LLP

FENWICK